



Annual Report

F.Y. 2015-16



MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

11th Annual Report for the period of 2015 - 2016

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MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

CORPORATE DETAILS

BOARD OF DIRECTORS*		
S.No.	NAME OF THE DIRECTOR	DESIGNATION
1.	Shri. Rajeev Kumar Mital, IAS	Chairman & Managing Director
2.	Shri. Bipin Kumar Shrimali, IAS	Director
3.	Shri. O.K. Yempal	Director(Operations)
4.	Shri. R.D. Chavan	Director(Projects)
5.	Shri. Vinayak Sathe	Director(Finance)
6.	Smt. Pushpa Chavan	Independent Director
7.	Shri. Vishwas Pathak	Independent Director

COMPANY SECRETARY Ms. Vineeta Shriwani	STATUTORY AUDITORS M/s. Jain Chowdhary & Co. Chartered Accountants
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REGISTERED OFFICE
Prakashganga, Plot No. C-19, "E" Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. Website: www.mahatransco.in (CIN No. U40109MH2005SGC153646)

***As On December 27th, 2016**

WORDS FROM CHAIRMAN AND MANAGING DIRECTOR

With the introduction of reforms in the power sector, the scenario for all state Owned Electricity Enterprises has undergone a dramatic change. To ensure that the on-going process of transformation is not a temporary phase, but if sustainable, MAHATRANSCO is considering a number of new initiatives in transmission technology, project implementation and HR Management. Some of the initiatives that we have embarked upon appear yielding positive results. We are monitoring this very carefully to be able to ensure institutionalizing them for the benefit of all Stakeholders. Together with organizational changes, MAHATRANSCO is making an endeavor to be more transparent, more accountable and more responsible to its Stakeholders, both internal as well as external. We also welcome feedback from our Stakeholders in this regard. We have a gigantic task ahead of us, in terms of system and infrastructure up gradation as well as of creating fresh infrastructure to be able to meet the future requirements of the state. Growth in various sectors of Maharashtra should not face bottleneck due to lack of electricity. We estimate that this will translate into an investment plan of about Rs. 8000 Crores. MAHATRANSCO is the largest State Electric Power Transmission Utility in the country

Our Corporate Mission and Vision encapsulates the Following

- To establish ourselves as a model STU and transmission licensee with respect to
 - ◆ Planning,
 - ◆ Project Implementation,
 - ◆ Operational Capabilities,
 - ◆ Performance
- with emphasis on
 - Cost and Quality consciousness,
 - Human Resource Development,
 - Corporate Social Responsibility

Rajeev Kumar Mital
Chairman & Managing Director

Place : Mumbai

Date : December 27th, 2016

DIRECTORS BRIEF PROFILE

Shri. Rajeev Kumar Mital, IAS **Chairman and Managing Director**

Shri Mital is 1998 batch IAS officer. He has worked for Land Revenue Management & District Administration, Government of Maharashtra. From 2004 to 2007 as Collector for Bhandara and Latur Districts. Thereafter he worked as DS under different Ministries under Central Government till 2012.

From September 2012 till December 2014 he worked as Member Secretary in Maharashtra Pollution Control Board.

Shri Rajeev Kumar Mital was appointed as Chairman & Managing Director in MSETCL w.e.f. 06.01. 2015



Shri. Bipin Shrimali, IAS **Nominee Director**



Shri Shrimali is 1992 batch IAS and opted for Maharashtra Cadre. He has experience of about more than five years in Power Sector. He was working as Vice Chairman and Managing Director of Maharashtra State Road Development Corporation since 27-09-2010. He was CMD, MAHATRANSCO from 10.02.2014 till 06.01.2015. Thereafter he was appointed as CMD, MAHAGENCO and now holding the additional charge of PS(Energy) and simultaneously appointed as MD, MSEBHCL.

In his capacity of PS(Energy) he is appointed as Nominee Director of MAHATRANSCO w.e.f. 07.05.2016.

Shri. Omprakash K. Yempal **Director(Operations)**

Shri Yempal has rich and varied experience in the power sector. He started his career in 1979 in the testing division, Aurangabad with erstwhile MSEB as Junior Engineer and worked in various capacities at various divisions in the various regions of Maharashtra, such as Kalwa, Jalgaon, Shahada, Sangli, Ahmednagar, Gadchiroli and Chandrapur. He has been instrumental in monitoring of all sub-stations, preparation and sanction of technical estimates, construction of EHV sub-stations of various voltage levels. He joined MSETCL in the year 2005 as Chief Engineer. He was appointed as Executive Director (Operations) in 2009. He played the vital role in maintaining availability of EHV system as per the benchmarks 98% and reducing EHV losses in MSETCL network. He joined the Board of the Directors of the Company as Director (Projects) in July, 2011. Shri. Yempal also represents MSETCL as Chairman in a Joint Venture of MSETCL – Jaigad Power Transmission Co. Ltd. and Maharashtra Transmission Communication Infrastructure Co. Ltd.

Shri Yempal has been appointed as Director (Operations) of MSETCL w.e.f. 26.05.2014.



Shri. Ravindra D. Chavan
Director(Projects)



Shri Chavan has done BE in Electrical from Pune University and MBA (Finance) from YCMOU. He has certification as Lead Auditor, ISO 9000 accredited in IRCA, London. He is accredited Energy Auditor from Bureau of Energy Efficiency, GoI (BEE). Prior to joining as Director (Projects), Shri Chavan has worked as the Chief Engineer (Projects - Contract & Monitoring) at MSETCL. He was also holding additional charge of the post of the Executive Director (Projects), MSETCL.

Shri Chavan has rich and varied experience in the power sector for more than 25 years. His experience is in various large size projects execution along with technical, legal, commercial and management issues. He has addressed the bottlenecks of resources, complex MIS systems, use of ERP (SAP) for Business. He had streamlined various aspects of Management such as Supply Chain, Quality Enhancement, Cash Flow Management, Contract Management and Monitoring Mechanism. He had made sincere efforts for taking Leap Forward in Projects Management through the use of principles of Theory of Constraints. In nut shell, he had handled complex business scenarios in Power Transmission Infrastructure Establishment from concept to commissioning in Green Field as well as Brown Field Projects and is fully aware of challenges and solution approaches. Shri. Chavan also represents MSETCL as Director in Joint Ventures of MSETCL – Jaigad Power Transmission Co. Ltd. and Maharashtra Transmission Communication Infrastructure Co. Ltd.

Shri Chavan has been appointed on the Board of MSETCL as Director(Projects) w.e.f 05.05.2015.

Shri. Vinayak Sathe
Director(Finance)

Shri Sathe is from Maharashtra Finance & Accounts Services of Govt. of Maharashtra. He has done post-graduation in Commerce and Bachelor's Degree in Law. Prior to joining MAHATRANSCO, Shri Sathe was working as Dy. Chief Accounts Officer in Maharashtra Jeevan Pradhikaran.

Shri Sathe is appointed as Director(Finance) and Chief Financial Officer w.e.f. 02.04.2016.



Shri. Vishwas Pathak **Independent Director**



Shri Vishwas Pathak has joined Board of MSETCL as Independent Director. Shri. Pathak is a Post Graduate in Commerce and Fellow Member of Institute of Company Secretaries of India as well as Graduate in Law. He has more than 25 years of experience in fields of law, management, finance, Corporate laws and Industry. He has also practiced as an Advocate at Bombay High Court in corporate laws.

Shri. Pathak has been associated on the Board of various listed and unlisted companies as Independent Director. He has handled various assignments in relation to IPO, legal, company secretarial practices, risk management, corporate governance, FEMA, IPR and others. He was appointed as Chairman of Vision Document Committee for Maharashtra. He is also associated with journalism and was Chairman of 90 years old Marathi daily "Tarun Bharat".

Shri. Pathak has been appointed on the Board of MSETCL as Independent Director w.e.f. 24.08.2015.

Smt. Pushpa Chavan **Independent Director**

Smt. Pushpa Chavan is B.E.(Electrical), MBA (Finance) with an illustrious career spanning over 27 years in the areas of transmission & amp; distribution of Energy in Maharashtra State Electricity Board. At present is holding the position of Chief Engineer (IPDS), MSEDCL.

Presently looking after the implementation of Government of India's ambitious scheme i.e. Integrated Power Development Scheme (IPDS) for Urban areas in overall Maharashtra.

Smt. Chavan has been appointed on the Board of MSETCL as Independent Director w.e.f. 26.06.2014.



COMPANY'S BRIEF PROFILE

OUR MISSION AND VISION

To establish ourselves as model STU and transmission licensee with respect to planning, project implementation, operational capabilities, performance with emphasis on cost and quality consciousness, human resources development and corporate social responsibility.

CORPORATE OBJECTIVES AND GOALS

MAHATRANSCO has already undertaken key initiatives to align its long term vision to the changing business requirement.

In order to be able to translate this Mission and Vision to tangible reality, we at MAHATRANSCO have set for ourselves certain clear Organizational Goals and Objectives:

➤To make network development and investment plans for an Intra-state transmission system that is secure, reliable and economical, through constant research, be able to develop best-in-class system study and system planning capacities within the organization.



➤To ensure proper health and safety of our employees as well as safety and stability of the grid.

➤To develop a State-of-the-art SLDC with corresponding Communication Systems, RTU & SCADA systems, information and knowledge management systems as well as enhancing our employees operational, supervisory and managerial skills.

➤To reduce energy losses.

INSTITUTIONAL OBJECTIVES AND GOALS



- Fulfilling all statutory and regulatory codes, standards, directives and targets in relation to planning, network development, operations and services.
- Ensure safety during operations, maintenance and construction activities.
- Setting and achievement of a set of targets (financial and non-financial).
- Keeping track of state-of-the-art technology in the areas of sub-station design, construction, protection, communication, maintenance, information systems, diagnostics, repair, restoration and life extension.

- Developing a management culture of care, trust, transparency and open communication.
- Establishing a strong ethos of work culture, quality consciousness and high performance across the organization.
- Creating a feeling of professional and organizational pride and strong bonding among different functional groups and cadres.
- Acting with a sense of social responsibility towards consumers, project affected persons, less privileged sections of society and the environment.



MAHATRANSCO IN NUTSHELL

- The largest electric power transmission utility in state sector in India.
- 633 EHV substations.
- 43730 CKms of Transmission lines.
- 110814 MVA Transformation capacity.
- Transmission system capable of handling 20000MW of power.
- Transmits around 141766 MUs of electricity annually.
- Staff Strength of around 10841 employees all across Maharashtra.

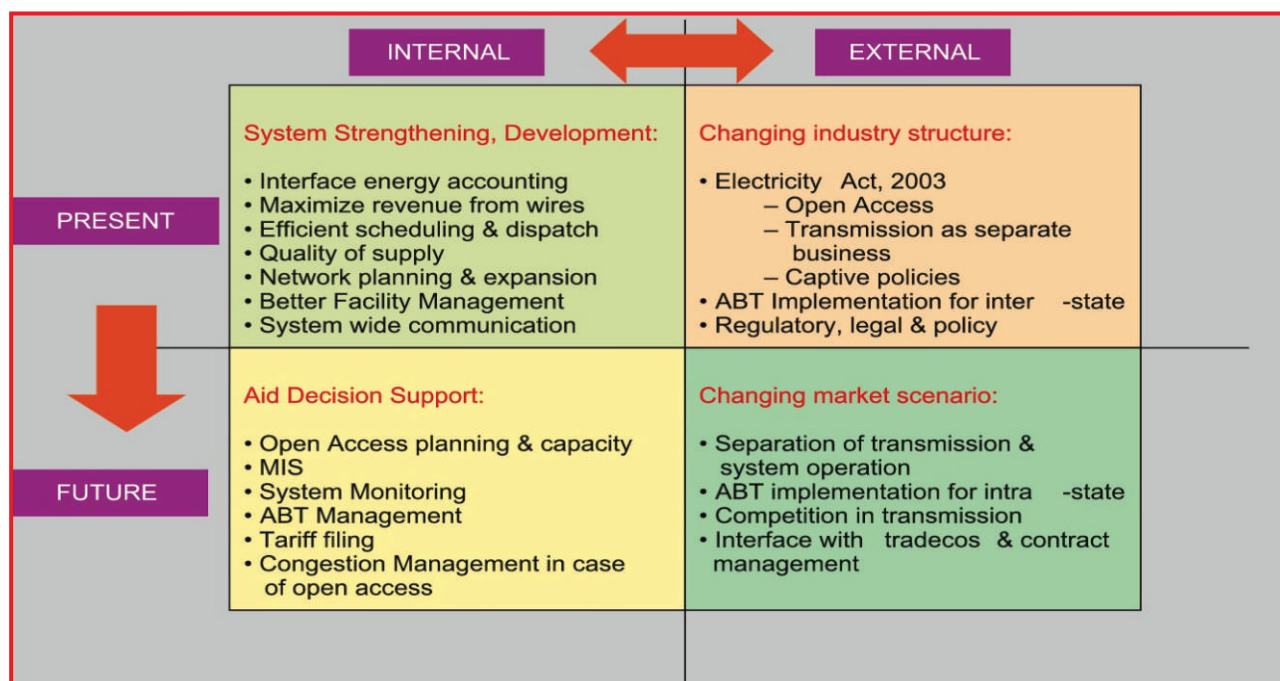
OVERVIEW OF MAHATRANSCO



Mahatransco is one of the largest electric power transmission Utility / Company in State sector in India. We are responsible for the evacuation & transmission of electricity from its point of generation to the point of distribution across the state of Maharashtra.

Our huge infrastructure includes a vast transmission network of 43730 circuit kilometers of electrical transmission lines and more than 633 EHV substations with 110814 MVA transformation capacity. This infrastructure constitutes most of inter-regional as well as intraregional electric power transmission system in Maharashtra State and carries electric power across the same. Mahatransco's transmission system is capable of handling more than 20000 MW of power as of today.

Mahatransco plays an exclusive role in the changing environment for providing uninterrupted power to consumers of the State. The three major functions of the Company i.e. STU, SLDC and TL have given Company a new distinguished role.



MAHATRANSCO'S ROLE IN ECONOMIC DEVELOPMENT OF THE STATE

Maharashtra occupies a prominent position in Industrial India. As growing economy with healthy growth rate for the last decade, it has a strong industrial base, a well developed infrastructure and is one of the most favoured investment destinations today.

The Mahatransco's transmission system is presently capable of handling bulk power which is available for the State.

In doing so, it fulfills three key roles:

- Transmission of electricity from generation sources to load centers i.e. mainly Mumbai, Thane, Pune and Western Maharashtra.
- Provides reliable power which is also secure.
- Facilitates competition and ensures secure and reliable supply to consumers.

In order to meet the growing demand of electricity, a substantial growth in electricity generation capacity is needed over the period of next 10 years. Considering the planned expansion in generation capacity and the anticipated load growth corresponding to rapid industrial growth in Maharashtra, the State needs robust and vibrant Transmission network. Mahatransco, has therefore embarked upon a very ambitious plan for expansion and up-gradation of its transmission infrastructure by the Year 2020 to handle such a large amount of power.

The role played by MAHATRANSCO is and will be critical to the development of Maharashtra.



MAHATRANSCO'S OPERATIONAL HIGHLIGHTS



➤ MAHATRANSCO owns and operates 633 EHV substations with a transformation capacity of 110815 MVA at 7 EHV levels from 66 KV to 765 KV.

➤ On an average, the company transmits 141766 MUs of electricity annually. The company covers a transmission length of 43730 Ckt Km of EHV lines.

➤ The company also has the distinction of being the only power transmission utility in the state sector to own a HVDC bipole link.

➤ The company operates a 752 km long, 1500 MW, +/- 500 KV bipolar HVDC line from Chandrapur to Padghe in Maharashtra.

➤ MAHATRANSCO has SLDC at Kalwa near Mumbai and area Load Despatch Centre at Ambazari near Nagpur.

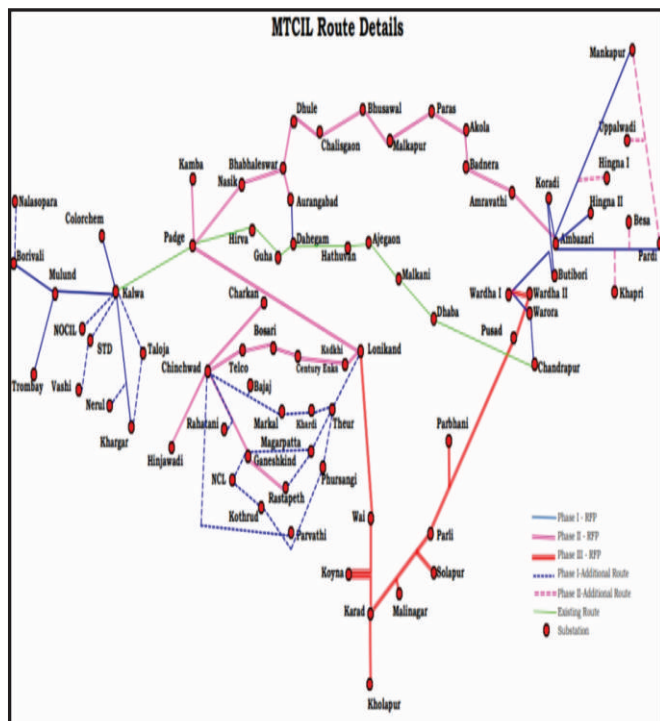
➤ In FY 2015-16, MAHATRANSCO transmitted 141766 MUs of Electricity as compared to that to 135372 MUs in the previous year. For the same period, the Transmission System Availability for EHV AC system was 99.72% as compared to 99.73% in the previous year.

➤ Last five year average Transmission System Availability for EHV AC system is 99.72% Last five year average HVDC System Availability is 96.99%.

➤ The Transmission losses of the Company during 2015-16 were 3.92%; which are within Regulatory benchmark of 4.85%.



INTRODUCTION OF NEW CONCEPTS/TECHNOLOGIES



1. Mahatransco is one of the technology leaders in the country in the power sector. It is one of the first in the country and the only one among all the erstwhile Electricity Boards to establish a 752 Kms +/- 500 KV HVDC link.
2. Mahatransco has taken the initiative to establish a reliable wide band fibre optics communication system (voice and data) to cover 2801 Kms for Mahatransco. This shall enable to provide high speed communication channels to State Load Dispatch Centre for SCADA/EMS/ABT Metering/ERP/Video Conference & other IT applications required for control & operation of power system network of Mahatransco.

3. The Load Dispatch Centre is the nerve centre for operation, monitoring and control of the power system. To ensure integrated operation of the power system in the State and better control over the intra-state transmission system new state-of-the-art Real Time Data Acquisition equipments (RTUs/Data Concentrators) at substations and SCADA and EMS system are being installed.
4. In order to cope up with the modern IT enabling activities and to adopt the best industrial practices Mahatransco is implementing ERP in the Organization.
5. Establishment of compact Gas Insulated Substations (GIS) have been initiated at Substation Monitoring System with Numerical Relays, Event sequence Recorders, Disturbance Recorders, Bay Controllers etc. are being implemented at important substations. SCADA with GPS is under implementation. Numerical UF cum FT relays are installed.
6. Advanced computer software tools are being used for system studies. Numerical relays alongwith bay controllers and SCADA is now standardized for all EHV substations in the Company.
7. MSETCL is the first State utility in India having a network up to 765 KV transmission.
8. In order to have effective utilization of existing corridor Mahatransco has executed the following projects of High Temperature Low Sag (HTLS); 132KV Hingana- I Ambazari- Nagpur, 132 KV Deepnagar- Khadka Ckt I & II – Nashik.
9. RoW is a major challenge in the field of transmission of lines therefore Mahatransco has taken steps to reduce foot print through implementation of Monopole & Narrow Base Towers.



Director's Report

F.Y. 2015-16

CONTENTS OF DIRECTOR'S REPORT FOR F.Y. 2015-16

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I.	<u>STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK</u> (A) Overview of Journey from formation of Company till March 2016 (B) Transmission licensee function (C) State Grid Operations (D) STU (E) Joint Venture (F) Human Resources
II.	<u>DIRECTORS AND KEY MANAGERIAL PERSONNEL</u> (A) Directors (B) Declaration on Independent Directors (C) Performance Evaluation of Directors (D) Key Managerial Personnel (E) Meetings
III.	<u>FINANCIAL HIGHLIGHTS</u> (A) Performance of the Company (B) Reserves (C) Change in Share Capital (D) Dividend (E) Internal Controls (F) Subsidiary Company (G) Cost Auditors (H) Statutory Auditors (I) Explanation to the remarks of Statutory Auditor's Report (J) Deposits (K) Particulars of Loans, guarantees or investments (L) Related Party Transactions (M) Change in the Nature of Business, If any (N) Funding Arrangement / Institutional Borrowing
IV.	<u>OTHER COMPLIANCES</u> (A) Secretarial Audit Report (B) Risk Management Policy (C) Extract of Annual Return (D) Material Changes and Commitments, if any, 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 (E) Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future (F) Transfer of amounts to Investor Education and Protection Fund
V.	<u>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO</u>
VI.	<u>CORPORATE SOCIAL RESPONSIBILITY (CSR)</u>
VII.	<u>DIRECTOR'S RESPONSIBILITY STATEMENT</u>
VIII.	<u>ACKNOWLEDGMENTS</u>

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

DIRECTOR'S REPORT

To,

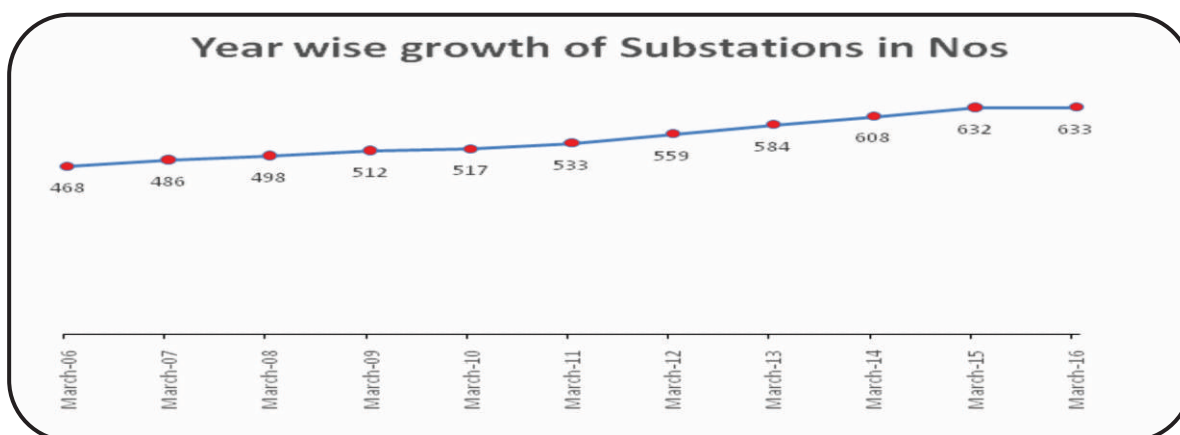
The Members,

We are delighted to present the report on our business and operations for the Financial Year ended March 31, 2016.

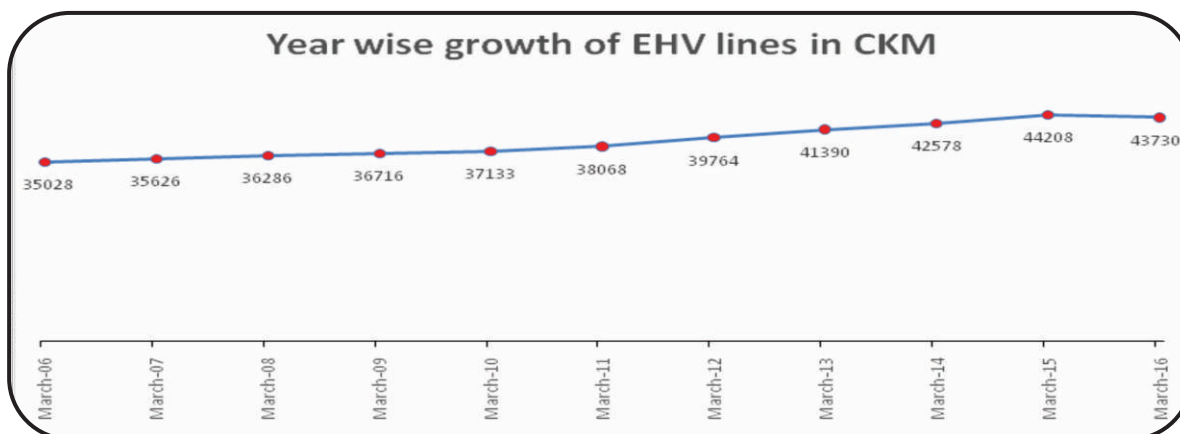
I. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

(A) Overview of Journey from formation of Company till March 2016.

We have built and own 633 number of substation as on 31st March 2016 in comparison to 468 Nos of substations in March, 2006 showing a compounded annual growth rate (CAGR) of 3.07%. Each new substation is being added not only to cater the demand but to give reliable & quality power on 24 x 7 basis along with stability of network as well as reducing the losses. With the addition of each new substation, one can understand the growth of transmission utility commensurate with additional generation capacity matching with demand.



Similarly we own a vast network of EHV transmission lines ranging from 66kV to 400kV & 500 kV HVDC. As on March- 2006, we had 35028 Ckm of transmission lines, which is expanded to 43730 Ckm as on 31st March 2016, ranging from 66kV to 400 kV and 500kV HVDC lines with CAGR of 2.24 %.



The voltage levelwise growth from 2005-2006 till March 2016 is as under:

Sr.No	Voltage Class	Substations as on (Nos.)		EHV network as on (Ckm)	
		March -2006	March - 2016	March -2006	March -2016
1	66 kV	42	11	3270.00	684.00
2	100 kV	25	38	678.00	700.66
3	110 kV	31	36	1637.00	1736.60
4	132 kV	217	306	10084.61	14553.91
5	220 kV	134	211	11478.28	16325.85
6	400 kV	17	28	6375.74	8224.96
7	765KV	0	1	0.00	0.00
8	500 kV HVDC	2	2	1504.00	1504.00
TOTAL		468	633	35027.61	43730.00

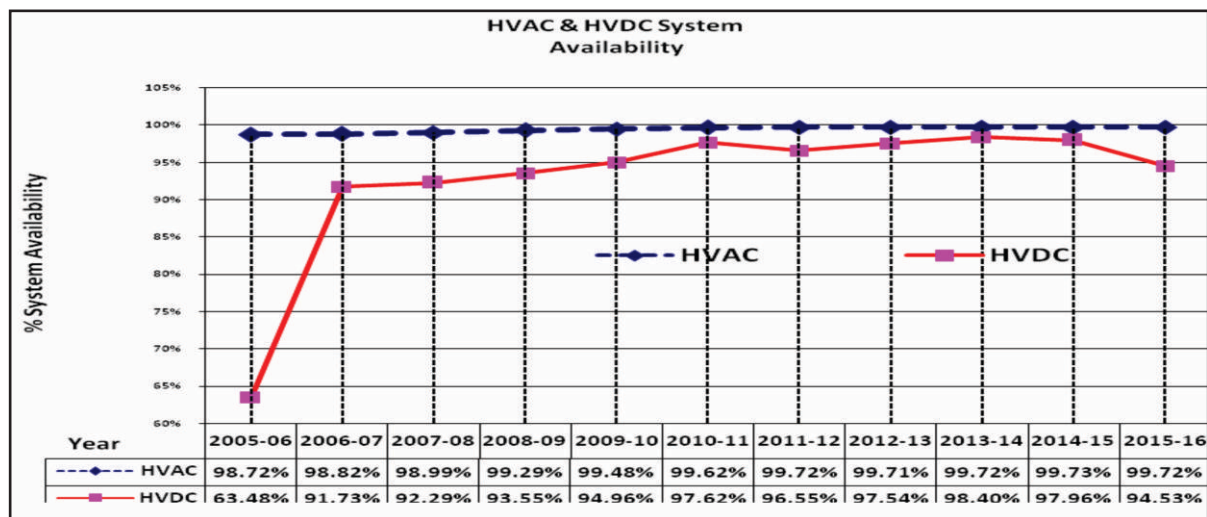
Note:- It is policy of MSETCL to eliminate the 66KV level in stages, hence existing 66KV substations and lines are either being upgraded to higher level or eliminated.

Present transmission network and related data (as on 31/03/2016)

Sr. No.	Voltage Class	EHV Substations(Nos.)	Transformation Capacity(MVA)	Transmission Lines (Ckm)
1	500 kV HVDC	2	3582.00	1504.00
2	765KV	1	1500.00	0.00
3	400 kV	28	23395.00	8224.96
4	220 kV	211	49747.50	16325.85
5	132kV	306	26779.00	14553.91
6	110 kV	36	2280.00	1736.60
7	100 kV	38	2678.00	700.66
8	66 kV	11	853.00	984.00
TOTAL		633	110814.50	43730.00

(B) Transmission Licensee

(B)(1) HVAC and HVDC System availability from 2005-2006 to 2015-16



HVAC (High Voltage Alternate Current System) & HVDC (High Voltage Direct Current System)
 Availability Achievement from FY 2005-2006 to 2015-2016.

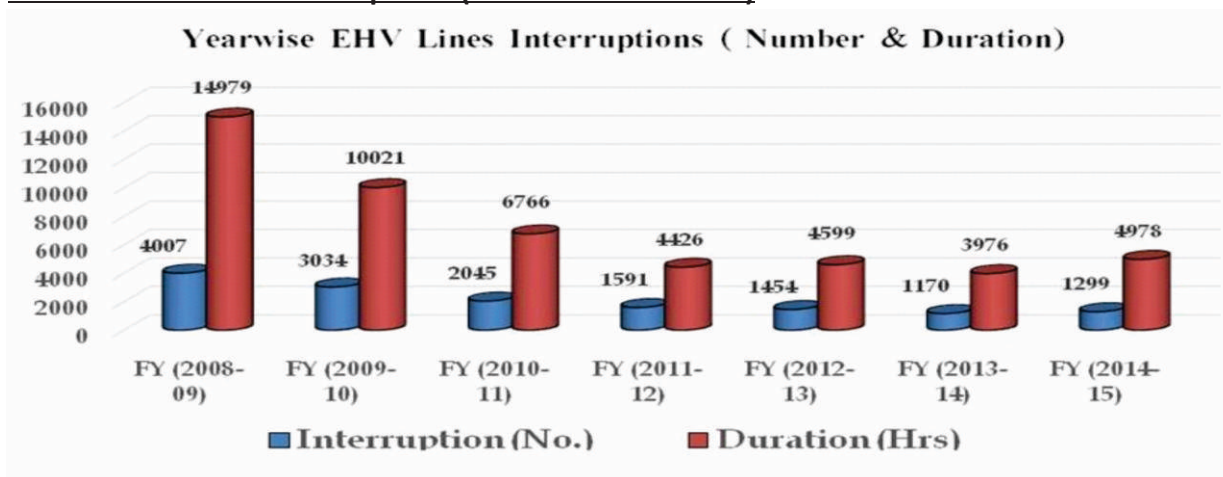
Present Transmission System Availability & Losses as against MERC benchmark

HVAC system (MERC Benchmark 98%)											
Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Avail. (in %)	98.72	98.82	98.99	99.29	99.48	99.62	99.72	99.71	99.72	99.73	99.72
HVDC System(MERC Benchmark 95%)											
Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Avail. (in %)	63.48	91.73	92.29	93.55	94.96	97.62	96.55	97.54	98.40	97.96	94.53

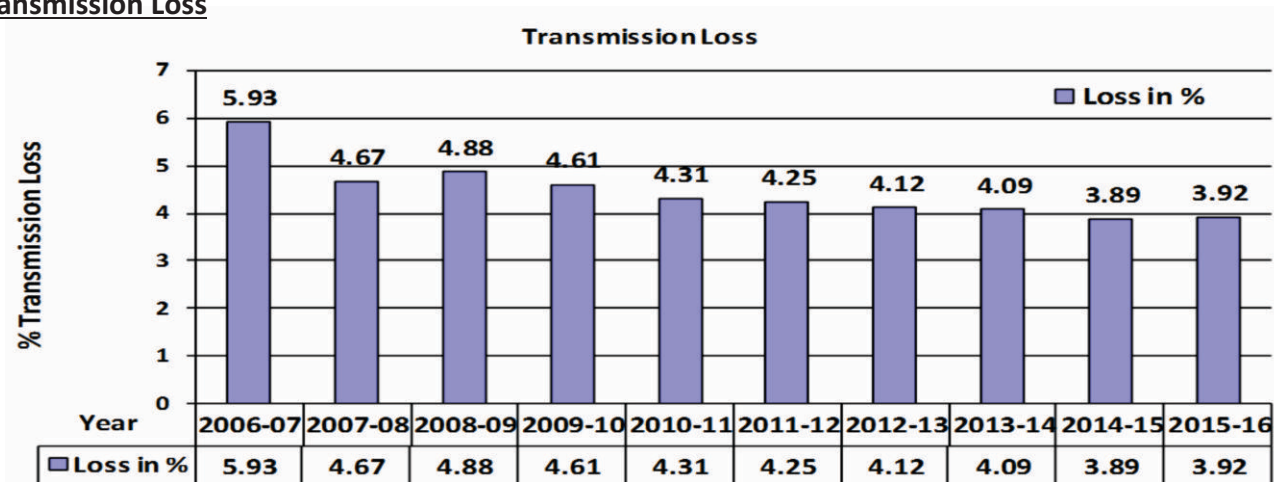
(B)(1)(a) EHV sub-station equipment failure

Equipment	Year	Total Number	Failure	% Failure
Current Transformers	2012-13	13153	54	0.41
	2013-14	13801	44	0.32
	2014-15	14818	32	0.22
	2015-16	15267	24	0.16
Circuit breaker	2012-13	4288	10	0.23
	2013-14	4481	7	0.16
	2014-15	4818	12	0.25
	2015-16	4923	5	0.10
Lightening Arrestors	2012-13	11165	52	0.47
	2013-14	12325	25	0.20
	2014-15	12627	28	0.22
	2015-16	12919	22	0.17
Transformer	2012-13	1515	19	1.25
	2013-14	1570	27	1.72
	2014-15	1626	22	1.35
	2015-16	1675	11	0.66

(B)(1)(b) Year wise EHV Lines Interruptions (Numbers & Duration)



(B)(2) Transmission Loss



Sr. No.	Year	Transmission Loss in %
1	2006-07	5.93
2	2007-08	4.67
3	2008-09	4.88
4	2009-10	4.61
5	2010-11	4.31
6	2011-12	4.25
7	2012-13	4.12
8	2013-14	4.09
9	2014-15	3.89
10	2015-16	3.92

The Transmission loss of 3.89% in the year 2014-15 is reduced as compared to previous years and it is one of the best among utilities across the country.

(B) (3) Achievements against planning for the year 2015-16

Sr. No.	Voltage Class	Substations (Nos.)		Transmission Lines (Ckm)	
		Planned	Actual	Planned	Actual
1	500 kV HVDC	0	0	0.00	0.00
2	765KV	1	1	0.00	0.00
3	400 kV	2	1	176.40	333.36
4	220 kV	8	13	978.26	1375.19
5	132kV	8	7	192.41	397.34
6	110 kV	0	0	0.00	0.00
7	100 kV	1	2	2.60	3.10
8	66 kV	0	0	0.00	0.00
	TOTAL	20	24	1349.66	2108.99

- This shows that we have achieved an incremental growth rate in adding number of substations as well as Ckm of transmission lines.
- Against the targets of 20 Nos. of various voltage level substations, the actual achievement is 24 nos. which is 120%.
- Against the targets of 1349.66 Ckm of various voltage level lines, the actual achievement is 2108.99 Ckm., which is 156%.
- The EHV new substations commissioned during year 2015-16 :- List attached as '**Annexure - I**'.
- The EHV transmission lines commissioned during year 2015-16 :- List attached as '**Annexure - II**'.

Improvement in substation & transmission line Engineering and Adaptation of new technologies:

- ❖ Substation automation system for EHV class substations.
- ❖ Online condition monitoring technique for EHV equipment.
- ❖ Monopole design for EHV lines.
- ❖ Integrated new technologies in EHV class transformers such as-
 - ✓ Nitrogen injection fire protection system(NIFPS).
 - ✓ Fiber optic sensor for temperature measurement.
 - ✓ Online gas & moisture measurement system.
 - ✓ Line signature value for new transmission lines.
- ❖ Gas Insulated substation (GIS) for 132kV to 400 kV substations.
- ❖ Hybrid switchgear technology for 132kV & 220kV substations.
- ❖ Optical Fiber Ground Wire (OPGW) for communication & protection system –Pilot project on FOTE.
- ❖ Geographical information system for mapping of transmission assets.

12th Five Year Plan

12th Five Year Plan								
Sr. No.	Particulars	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual upto Oct-16)	2016-17 (Proposed Nov-16 to Mar-17)	Total
1.	New Substations	25.00	24.00	24.00	24.00	1.00	16.00	114.00
	A. MVA addition due to New substations	2225.00	1950.00	350.00	3850.00	100.00	2500.00	10975.00
	B. MVA addition due to Additional transformers	4935.00	2850.00	725.00	1565.00	2920.00	225+975*	14195.00
	C. MVA addition due to Replacement of transformers	1111.50	636.50	675.00	337.50	199.00	786.5*	3746.00
	Total MVA addition	8271.50	5436.50	1750.00	5752.50	3219.00	4486.50	28916.00
2.	EHV lines (Ckm)	1626.00	1187.73	1629.00	2108.99	219.88	1804.50	8576.00
3.	Capital Expenditure (Rs. in Crores)	2302.00	1584.00	1419.00	1263.00	1689(proposed)		8257.00

* Figures given by EHV O&M.

(B)(4) Flagship Projects:

1) Quality power supply-

I) Installation of shunt reactors: The 400 shunt Bus reactors are being proposed for installation at about 12 number of various 400KV substations for overcoming the problems such as a) Over voltages during off peak conditions. b) Failure of insulation of EHV equipments c) Unwanted tripping of EHV lines & ICTs. Out of total 12 number of substations, the LOAs for installation of reactors at three number of 400KV substations viz. Lamboti, Kolhapur (Talandge) and Karad are already released.

II) Installation of capacitor banks: The initiative is taken by MSETCL for installation of capacitor banks at 132KV & 33KV levels at about 53 number of 220KV and 132KV substations throughout state.

2) Mumbai transmission network strengthening: This will enable capacity addition of about 900MW for import to Mumbai by conversion of existing 220KV Kharghar-Kalwa-Borivali-Boisar double circuit line into multi circuit AAAC twin conductor on narrow base towers. The work is in the final stages of completion.

3) Projects in Tribal Sub Plan: The five number of new substations (viz. 220KV Viroda, 132KV Dhadgaon, 132KV Ralegaon, 132KV Etapalli & 132KV Jawhar) are proposed to be taken up under the Tribal Sub Plan of Government of Maharashtra for the year 2016-17. The demand for first installment of Rs.100 Crores was submitted to Government of Maharashtra.

4) Projects in MIDC area: The three number of new substations are being constructed in the MIDC area viz. 220KV Loni Deokar substation, 220KV Vile Bhagad substation and 220KV Viraj profile substation in the year 2016-17. These substations are in the final stages of completion.

5) Green Energy Corridor Project : The Green Energy Corridor Project is an upcoming project which aims at synchronizing electricity produced from renewable sources such as Solar & Wind with conventional power stations in the grid. The projects will be implemented with the assistance of Germany who has promised to provide developmental & technical assistance for the project. About 27 number of projects are proposed under Green Energy Corridor Project(GEC-I) out of which, Bid document for 10 number of projects is submitted to KFW, the German Bank and preliminary tenderization procedure for about 13 number of projects is started at Corporate Office.

Also, 13 number of lines and one number of substation will be covered under part-A & part-B respectively of GEC-II.

6) Make In India : In line with the Make in India concept of Government of India, the MSETCL has given impetus to Indian manufactures through procurement of material through them.

(B)(5) Future Road Map:

The state has very high growth rate of development and power being vital engine for accelerating the growth. MSETCL has planned to construct 17 Nos of new substations and 2024 CkM of transmission lines for the period 2016-17, the voltage levelwise targets are tabulated below:

Sr. No.	Voltage Class	Substations (Nos.)	Tr. lines (CkM)
1	765 kV	0	0.00
2	400 kV	2	191.00
3	220 kV	4	1231.58
4	132 kV	11	601.81
5	110 kV	0	0.00
6	100 kV	0	0.00
7	66 kV	0	0.00
	Total	17	2024.39

(B)(6) Challenges before Transmission Licensee

- 1) Network Optimization** - To evolve and augment the transmission network to cope up with the power procurement economics as power is increasingly acquiring the full colour of marketable commodity.
- 2) Optimize cost of operations & maintenance** – To maintain the infrastructure without sacrificing the reliability, safety, quality with least cost of operation and maintenance and move towards Automation.
- 3) Transmission losses** – To adopt advanced technologies like FACTS, Dynamic Line rating, dynamic compensation, asynchronous links for maintaining transmission losses.
- 4) Resource management** – a) To develop and maintain a highly skilled technocrats so as to maintain technological excellences in the organisation.
 b) To operate the business with minimum ARR i.e. Effective procurement of funds and it's utilisation so as to run the business with minimum ARR.
- 5) In time Project Completion-** To complete the projects with least cost and in minimum time frame in the multi dimensional environment with political, environmental and ROW issues.

(C) State Grid Operations

State Load Dispatch Centre

The state load dispatch centre is the Apex body to ensure integrated operation of the power system in the State.

The functions of State Load Dispatch Centre are as under:

- Responsible for optimum scheduling and dispatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;
- Monitor grid operations;
- Keep accounts of the quantity of electricity transmitted through the State grid;
- Exercise supervision and control over the intra-State transmission system; and
- responsible for carrying out real time operations for grid control and dispatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.

SLDC is carrying out real time operations such as monitoring & control of grid parameters, outages, contingency management & disturbance handling in co-ordination with WRLDC and Intra-state generation companies, transmission licensees, distribution utilities and open access users so as to ensure healthiness of the state grid and ensure economical power to the state of Maharashtra. SLDC is carrying out state energy accounting, transmission loss computation, deviation settlement under intra-state ABT Mechanism and issuing Energy injection reports for REC certification to Renewable Energy Generators in the State. SLDC is nodal agency for Short Term Open Access approval for Maharashtra.

(C)(1) Highlights for the F.Y. 2015-16 are as under:

- Max Demand Catered was 21064 MW in the month of October 2015.
- Average Frequency remained 49.99Hz during the year (Max. frequency noted in Apr 2015 as 50.52Hz and Min. Frequency was noted in Apr 2015 as 49.46Hz.)
- Total 144898.6 MUs energy Demand was catered.

All Figures are operational and based on SCADA data

(C)(2) Major Achievements

- State energy accounting and UI pool account as per final balancing and settlement Mechanism on 15 Min Time Block basis implemented w.e.f 1st August-2011.
- System performance report software modified as web-based application & incorporated additional details from February-2015.
- Critical & long term outages for Mumbai transmission system strengthening work facilitated.
- Quarterly feedback reports on system performance for planning input to STU.

(C)(3) Generation capacity addition during F.Y. 2015-16 in MW :

Particulars	Unit No.	Addition in MW.	Remarks
State Sector			
MAHAGENCO	Koradi U#8	660	COD on 16.12.15
	Koradi U#9	660	Sync on 21.01.16
	Parli U#8	250	Sync on 03.03.16
	Chandrapur U#9	500	Sync on 21.03.16
IPPs			
M/S RattanIndia Power Ltd. Sinnar, Nashik	U#2	270	Sync on 21.03.16
Grand Total		2340	

Central Sector Units declared COD in FY 2015-16

Unit	Capacity in MW	MSEDCL share in MW	Date of COD
Vindhyachal STPS - V	500 MW	148.89	COD on 30.10.2015

(C)(4) Short Term Open Access Granted during the FY 2015-16:-

According to Open Access Regulation for intra-state, SLDC is a nodal agency for providing Short term open access within Maharashtra. The procedure for reservation of transmission capacity under STOA is formulated and SLDC has processed Open access applications during the period as below:-

A) Intra/Inter State STOA (Excluding power exchange):-

F.Y.	Firm Power	Day Ahead/Same Day Power	Total No of Applications
2014-15	1227	1506	2733
2015-16	2392	1575	3967

B) Inter State STOA through Power exchange :-

F.Y.	IEX	PXIL	Total No of Applications
2014-15	1180	48	1228
2015-16	1411	34	1445

C) Energy Transaction through STOA:-

F.Y.	Total Quantum (MUs)
2014-15	18458
2015-16	18930

Average Annual Composite Loss				
Sr. No.	Year	Loss	Wheeling Units In MUs	
			Energy I/P	Energy O/P
1	Annual ' 06-07	5.93%	93666	88749
2	Annual' 07-08	4.67%	93557	89189
3	Annual' 08-09	4.88%	95477	90815
4	Annual' 09-10	4.61%	101879	97178
5	Annual' 10-11	4.31%	107810	103163
6	Annual' 11-12	4.25%	117555	112562
7	Annual' 12-13	4.12%	120311	115350
8	Annual' 13-14	4.09%	122291	117289
9	Annual' 14-15	3.89%	135373	130107
10	Annual' 15-16	3.92%	141766	136215

(C)(5) Challenges before State Load Despatch Centre

- 1) Grid Operational challenges:** Management of Deviation limit, Increased complexity in CTU/STU system, Demand forecasting & management, Inadequate ramp up/down capability for balancing variations with impact of invisible RE injection.
- 2) Technology up-gradation:** Enhancement of SCADA /communication system for data visibility and controllability, Real time Reliability / dynamic security assessment using (WAMS) and development of Decision support tools for control action.
- 3) Renewable Energy- Large scale integration issues and REMC:** Forecasting and scheduling of RE, Establishment of Renewable Energy Management Centre & its operational framework and Ancillary services operation.
- 4) Energy Accounting, Commercial or Market Related Challenges:** Automated Meter Reading System, Upgradation of Billing and Commercial software, and Switchover to national level mechanism for deviation settlement.
- 5) Training and Capacity Development:** Capacity development, training, attitude, domain knowledge, competence & skill and Redefine process for selection and placement of personnel in SLDC.

(D) State Transmission Utility

(D)(1) Regulatory and Commercial Activity for the Year 2015-16:

- Suo-motu transmission tariff of Intra State Transmission System for 3rd Control Period FY 2016-17 to FY 2019-20 is determined by the Hon'ble Commission in Case No. 91 of 2016 dated 22/07/2016.
- Petition of Maharashtra State Electricity Transmission Co. Ltd. for Truing-up for FY 2014-15, Provisional Truing-up for FY 2015-16 and Aggregate Revenue Requirement for FY 2016-17 to FY 2019-20, including disallowed capitalisation for FY 2010-11 to FY 2013-14 approved by Hon'ble Commission in Case No. 31 of 2016 dated 07/07/2016.

(D)(2) Open Access & Grid Connectivity related Activities for the year 2015-16:

➤ **Open Access**

- Long Term Open Access: Nil
- Medium Term Open Access: 3 nos (17.5 MW)

➤ **Grid Connectivity**

• **Independent power project:**

6 nos. of consumer with installed capacity of 2458.22 MW are commissioned & no Grid connectivity issued to.

• **Co-generation power project:**

6 nos. of consumer with installed capacity of 132 MW are commissioned & Grid connectivity issued to 8 nos. of consumer with installed capacity of 209 MW.

- **Wind power project:**

After scrutinizing progress of already sanctioned Wind Power Projects, Grid Connectivity for 32 No. of Projects of capacity 5283 MW has been cancelled. The 31 No. of Project proposals (2973 MW) having certain progress has been sent to MEDA for seeking recommendation under RE policy – 2015 of the Govt. of Maharashtra.

- **Solar power project:**

Final Grid Connectivity towards synchronization for 5 nos. of Projects with installed capacity of 102 MW has been issued. Grid connectivity issued to 27 nos. of projects of capacity of 2002 MW.

(D)(3) STU FIVE Year Transmission Plan for the period 2016-17 to 2021-22:

STU Five year plan for the F.Y. 2016-17 to 2021-22 is submitted to MERC, the technical abstract for the (a) New sub-station year wise (b) Transmission lines year wise and (c) Transformer capacity Additional year wise for the plan period is as given below.

YEARWISE STATE ABSTRACT FOR NEW SUBSTATIONS								
Sr. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
1	400 KV	1	3	0	2	0	2	8
2	220 KV	6	6	13	8	10	8	51
3	132 KV	9	6	3	5	7	5	35
4	110 KV	0	0	0	1	0	0	1
Sub Total		16	15	16	16	17	15	95

YEARWISE STATE ABSTRACT FOR EHV LINES (CKT. KMS)								
Sr. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
1	765 KV	0.00	0.00	0.00	0.00	20.00	0.00	20.00
2	400 KV	326.00	371.00	5.00	397.50	80.00	110.00	1289.50
3	220 KV	786.00	873.00	1107.40	778.00	734.00	919.00	5197.40
4	132 KV	798.23	898.24	1140.80	1370.46	1349.20	999.00	6555.93
5	110 KV	0.00	31.00	0.00	20.00	1.00	0.00	52.00
6	100KV	0.00	50.00	4.00	4.00	0.00	0.00	58.00
TOTAL		1910.23	2223.24	2257.20	2569.96	2184.20	2028.00	13172.83

YEARWISE STATE ABSTRACT TRANSFORMATION CAPACITY ADDITION (MVA)								
Sr No	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
1	765 KV	1500.00	0.00	0.00	0.00	0.00	0.00	1500.00
2	400 KV	2817.00	3501.00	816.00	2185.00	185.00	2000.00	11504.00
3	220 KV (ICT)	1500.00	2400.00	2400.00	1300.00	1800.00	1800.00	11200.00
4	220 KV (TF)	1500.00	1100.00	1550.00	1050.00	550.00	500.00	6250.00
5	132 KV (TF)	1787.50	1250.00	1005.00	350.00	425.00	250.00	5067.50
6	110 KV (TF)	25.00	50.00	50.00	0.00	0.00	0.00	125.00
7	100 KV (TF)	50.00	0.00	200.00	0.00	0.00	0.00	250.00
TOTAL		9179.50	8301.00	6021.00	4885.00	2960.00	4550.00	35896.50

(D)(4) Challenges before STU

- (1) Reliable data Collection from various stake holders:** As the accurate and reliable load and generation data to be made available to STU planning. There should be mechanism to develop with the various stake holders for periodic data submission to STU and for close coordination with STU in planning processes.
- (2) Evacuation of Renewable Generation and integration:** There is considerable renewable generation targets in the Govt. policy. Planning for evacuation without the beneficiary identification is a great challenge.
- (3) Capacity building of STU personnel :** There is a need of expertise staff to handle system planning. It is a need of the hour to develop such expertise with the assistance of technical institution like IIT, Mumbai and companies providing such services.
- (4) Collection and disbursement of transmission charges from the STU:** With the existing payment and security mechanism in place, collection of transmission charges from STUs and disbursement to transmission companies is big challenge. There is a need to have some stringent mechanism in regulation to address this issues.
- (5) Planning of reactive compensation in transmission and distribution:** Reactive power management is very much vital to control voltages and losses of system. There is a need to have proper scientific study in transmission and distribution system.

(E) Joint Ventures of MSETCL

(E) (1) MSETCL and JSW : Jaigad Power Transco Limited

Your Company is a pioneering example of Public–Private Partnership between Maharashtra State Electricity Transmission Company Limited (MSETCL) & JSW Energy Limited (JSWEL) to develop Transmission System in Maharashtra. This has been done with a view to leverage the respective strengths of the Joint Venture (JV) partners; MSETCL (holding 26% equity) and JSWEL (holding equity of 74%).

The Company was formed to take up development of Transmission system as an integral part of Intra State Transmission System for evacuation of power from 1200 MW Jaigad Thermal Power Project of JSW Energy Limited (JSWEL) as well as evacuation of power generated from other proposed power projects in Ratnagiri region.

Your Company had been awarded Transmission license dated 8th February, 2009 by Hon'ble Maharashtra Electricity Regulatory Commission (MERC) under Section 14 of the Electricity Act, 2003. The License authorizes the company to establish, operate & maintain Transmission System consisting of 400 kV Jaigad - New Koyna and Jaigad - Karad Transmission lines for 25 years.

The entire Transmission Project was constructed in record time considering the difficult terrain through which the transmission lines were passing. The Transmission project became fully operational on 2nd December 2011 and your Company entered into full-fledged operation and maintenance phase.

This Transmission System is presently evacuating power from 1200 MW Ratnagiri Power Plant as well as transmitting intra-state power between New Koyna and Karad regions.

The Transmission system availability achieved for the financial year 2015-16 was 99.78% against the normative availability of 98%. This performance is consistent with the Transmission system availability of 99.78% achieved during last financial year 2014-15.

Your Company has complied with all regulatory requirements during the financial year under the Transmission license granted by MERC. Your Company has submitted its Petition for approval of True up of Annual Revenue Requirement for FY 2014-15, Annual Performance Review of FY 2015-16 and Multi Year Tariff for the Control Period FY 2016-17 to FY 2019-20 under the MERC (MYT) Regulations, 2011, (MYT) Regulations, 2015 and under Section 62 read with Section 86 of the Electricity Act, 2003. A Technical validity session (TVS) was held successfully on 26th February 2016.

(E)(2) MSETCL and Sterlite Technologies Limited: Maharashtra Transmission Communication Infrastructure Limited

The Company is a Joint Venture between Sterlite Technologies Ltd. and MSETCL. The Joint Venture company namely MTCIL (Maharashtra Transmission Communication Infrastructure Limited) was incorporated on 9th August, 2013. It has been formed to develop 2,801 Km Optical Power Ground Wire (OPGW) route over MSETCL's EHV transmission infrastructure in the state of Maharashtra, reaching major cities like Navi Mumbai, Pune, Nasik, Nagpur, Aurangabad, Kolhapur and several other cities, semi-urban and rural areas. The Company has obtained its Infrastructure Provider-1 (IP-1) registration certificate in the month of April, 2014.

The Project for live line installation and commissioning of 48F OPGW is in advanced rollout stage and has achieved OPGW Supply of 2250 Kms and installation of OPGW 1820 Kms of OPGW Installation against Project quantity of 2,801 Kms of RFS links & additional links of 500 Kms.

MTCIL is planning to adopt various strategies and plans in order to improve the performance and profitability of the Company.

There are some other major trends in the fiber optic industry too. The most important ones include expansion into mass markets (FTTH, FTTB, FTTC, etc.), miniaturisation, new technology development, cost reductions and even more. Falling in line with the current requirement of higher standards in DWDM technology, OPGW as the most reliable mode for uptime maintenance cannot be undermined. Optical fiber network leverage to the next generation in the term of Backbone network, technology such as WDM for 10 GbE or STM-64 getting obsolete in remarkable paced to be upgrade with 100 GbE and soon 400 GbE will become economically deployable.

Key milestones achieved by MTCIL

Business possibilities over OPGW Link in Maharashtra has been well received with demands from top Telcos operating in a large scale in the region and carrying national long distance network to major connectivity for Machine to Machine and enterprise solutions. Storage solutions, Data centres and IT sectors have been keen on implementing the technology to its relevant need. MTCIL has commercialised OPGW in one of the most crucial route for Telecom Operators in the state. F.Y. 2015-16 has been a year of recognition with handling over a link of 180 Kms approx in Mumbai-Pune for an NLD carrier serving a data traffic of multiple STMs and leased ports.

Opportunities from Current Market Trend for MTCIL

- Fibre optic cables form the backbone for a substantial part of communication
- Different configurations of optical fiber provide OPGW solution
- Fiber optic-based backhaul systems integrate advantages of high-capacity networking solution. That is why it is strong demand in 3G/4G space and wire line-based broadband networks.

(F) Human Resource Department

(F)(1) MSETCL believes that Human Resource is the strategic force which is heading the organization towards the journey of excellence. The company always strives to develop a management culture, trust, transparency and open communication and to establish a strong ethos of work culture, quality consciousness and high performance across the organization. The company has formulated its objectives in order to create feeling of professional and organizational pride and strong bonding among different functional groups and cadres.

(F)(2) Working Manpower Strength as on 31st March 2016 is as under :

Pay Group	Working Strength as on 31st March 2016
PG - I	1248
PG - II	2229
PG - III	3073
PG - IV	4291
Total	10841

(F)(3) HRD Initiatives

- MSETCL initiative for Replicating Best Practices (from Good-to-Great) – Various Committees were constituted to study and analyse the best practices in other Companies & to implement them in our Company.
- Performance Management System has been strengthened.
- Employees are being trained for implementation of SAP (ERP) with a vision towards paperless governance and leveraging from the system.

(F)(4) MSETCL Training & Development

- MSETCL believes that Human Resource has pivotal role in growth & development of the company. MSETCL endeavours to build employee's capability through training. MSETCL with an aim to develop its own training infrastructure, Regional Training Centres (RTCs) have been strengthened. MSETCL always strive to enhance technical as well as soft skills of the officers.
- MSETCL has adopted National Training Policy issued by the Ministry of Power, Government of India. As per this policy, 07 days training is to be provided to each employee annually. Further, in order to enhance technical knowledge & skill of engineers institutional tie-ups were formed with Original Equipment Manufacturers (OEMs) viz. Siemens, ABB, Alstom, CGL & Training Institutes such as ESCI, NPTI. During the year 2015-16, various training programmes were conducted as under:
 - Functional training was given to 1803 nos. of engineers through OEMs and at ICWAI for Finance & Accounts cadre.
 - Soft skills training were provided through behavioural training at IIM, MDI, ASCI, XLRI about 500 nos. of participants were trained.
 - CHR training programme were conducted at HR Annexi, The Link, ISIL & HR Functional. This programme covered Women Empowerment, Train the Trainers, Management Development Programme (MDP) etc.
 - Training for Pay Group III & IV employees were conducted at RTCs established at 07 Zones. The induction level training programme were also conducted for newly recruited AEs.

- In order to strengthen testing wing, training for testing engineers was organized at PSLC, Waluj. MSETCL continued its hot line maintenance training viz. HSM, BHM, PID & Insulator Washing (LLMT). External Training nomination, participation in various conferences & seminars was also provided.
- Training imparted & expenditure incurred during the year is as under :

Manpower Strength (As on 31 st March, 2016)	Total Trained up to 31 st March, 2016 (Approx.)	Total Mandays covered	Expenditure Incurred (Rs. In Lakhs)	
10841	7000	52134	Training	Capex
			928.52	8.74

- **Development of Training infrastructure: RTCs**
 Specialized training infrastructure has been set-up through development of seven RTCs at each zones. These RTC's are CEA recognized.
- Course Curriculum Committee has been constituted for validating & reviewing course content of training programmes to be conducted outside as well as at RTCs. Also, periodic review of Trainers at RTCs is being taken and new Trainers are being identified for RTC training.
- **Future Plans :**
 - In order to impart technical training to maintenance staff, it is proposed to establish Power System Learning Centre (PSLC) at Ambazari. The proposal is under process.
 - MSETCL exploring avenues to extend training facilities at RTCs to sister companies as well as other State Utilities and Engineering Colleges.
 - It is proposed to establish Corporate Training centre at Lonawala.

(F)(5) Achievements

Social Audit Study for better implementation of Reward Scheme for Best Sub-Stations & Units which was introduced from the year 2010-11 was done.

(F)(6) Employee Welfare

- MSETCL undertakes various employee welfare policies time to time. Under the MSEB HCL Group Mediciam Insurance Policy, it has provided Mediciam Insurance for the employees and his/her 05 dependents.
- Company conducts Sports tournaments at Division, Circle, Zone & State level and participates in tournaments organized by All India Electricity Sports Control Board (AIESCB). The employees secured Gold/ Silver/ Bronze medal in National/ International, AIESCB Sports tournaments is felicitated with cash prizes.
- MSETCL also conducts Drama Competition at Circle, Zone and Inter-company level.
- MSETCL also provides various cash prizes to the wards of the employees for various selection for qualifications viz. M.B.B.S., Scientific Research, selected in UPSC/ MPSC for Class-I post. National Saving Certificate of Rs. 5000/- to the employees who have given birth to female child is provided.
- Scholarships to the wards of the employees who stands in merit in 10th Standard upto graduation level is provided through MSEB Staff Welfare Fund Committee.
- School Bus facility is provided at remote substations such as Padgha.
- The wards of employees having minimum 40% disability / deaf & dumb as certified by the District Civil Surgeon will be given financial aid of Rs. 5,000/- to purchase tricycle / hearing aids through MSEB employees Staff Welfare Fund Committee.

(F)(7) Statutory Compliance under Industrial and Labour Laws-

- a) To obtain essential Liaisons from various government authorities under various labour laws and settlement of on duty accident medical cases and compensation of their claims as per Labour laws.
- b) Grievance meetings are conducted by playing mediator role between management and unions, so as to maintain harmonious industrial relations at all levels periodically.

(F)(8) 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 the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 09.12.2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any employee.

Company already has mechanism for prevention of Sexual Harassment of Women at workplace. The existing Committee registers the complaints related to sexual harassment. During the year, the Company has not received any complaint of harassment.

(II) DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Directors

During the financial year 2015-16, the following changes in the composition of the Board of Directors of the Company have taken place as per the directions of the Energy Department, Government of Maharashtra and the holding Company, MSEB Holding Co. Ltd.

Sr. No.	Name of the Director	Date of Appointment	Date of Cessation
1.	Shri. Rajeev Kumar Mital, IAS - CMD	06.01.2015	-
2.	Shri. Mukesh Khullar, IAS	02.02.2015	-
3.	Shri. O.K. Yempal	06.07.2011	-
4.	Smt. Pushpa Chavan	26.06.2014	-
5.	Shri. Prakash V. Page	19.08.2014	29.04.2015
6.	Shri. Pratap G. Mohite	31.12.2011	06.06.2015
7.	Shri. R.D. Chavan	05.05.2015	-
8.	Shri. Vishwas Pathak	24.08.2015	-

Directors on the date of report are as follows:

Sr. No.	Name of the Director	Designation	Date of Appointment
1.	Shri. Rajeev Kumar Mital, IAS	Chairman & Managing Director	06.01.2015
2.	Shri. Bipin Kumar Shrimali, IAS	Nominee Director	07.05.2016
3.	Shri. O.K. Yempal	Director (Operations)	06.07.2011
4.	Shri. R.D. Chavan	Director (Projects)	05.05.2015
5.	Smt. Pushpa Chavan	Independent Director	26.06.2014
6.	Shri. Vishwas Pathak	Independent Director	24.08.2015
7.	Shri Vinayak Sathe	Director (Finance)	02.04.2016

(B) Declaration on Independent Directors

The Board of Directors declare that the Independent Directors Mr. Vishwas Pathak and Smt. Pushpa Chavan are:

- in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
- who were or were not a promoter of the company or its holding, subsidiary or associate company;
 - who are not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- Who have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company or their promoters, or directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Who, neither himself nor any of his relatives –
 - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed;

- (ii) is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
 - (A) a firm of auditors/company secretaries in practice or cost auditors or the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
- (iii) holds together with his relative two percent, or more of the total voting power of the company; or
- (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or
- (f) who possesses such other qualification as may be prescribed.

(C) 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. Further, the appointment, tenure and remuneration of CMD is decided by Government of Maharashtra. For other Whole Time Directors the appointment and tenure is fixed by MSEBHCL and the remuneration of Whole Time Directors as per terms and conditions of their appointment. Independent Directors are paid only sitting fee per Board / Committee meeting attended {rate fixed by the Board within the ceiling fixed for payment of sitting fee without Government approval under the Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Section 197 of the Companies Act, 2013} and in accordance with the Government Guidelines for attending the Board Meeting as well as Committee Meetings. The Government Nominees Directors on the Board do not draw any remuneration/sitting fee for attending Board/ Committee meetings from the Company. The Independent Directors were paid sitting fee of Rs. 5,000/- per meeting for attending Board/Committee Meetings.

(D) Key Managerial Personnel

During the financial year 2015-16, the following are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

Sr. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment	Date of Cessation
1.	Shri Rajeev K. Mital, IAS	Chairman & Managing Director	06.01.2015	-
2.	Dr. Jyoti Arora	Company Secretary	18.02.2010	30.05.2015
3.	Ms. Vineeta Shriwani	Company Secretary	22.06.2015	-

(E) Meetings

(i) Board Meetings

During the financial year under review, Eleven Board Meetings were held on the following dates:

S.No.	Number of Board Meeting	Date of Board Meeting
1.	99 th Board Meeting	13.05.2015
2.	100 th Board Meeting	19.05.2015
3.	101 st Board Meeting	04.07.2015
4.	102 nd Board Meeting	24.08.2015
5.	103 rd Board Meeting	10.09.2015
6.	104 th Board Meeting	03.12.2015
7.	Adjourned 104 th Board Meeting	05.12.2015
8.	105 th Board Meeting	31.12.2015
9.	Adjourned 105 th Board Meeting	02.01.2016
10.	106 th Board Meeting	02.03.2016
11.	107 th Board Meeting	31.03.2016

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

Board Meeting attendance of directors during financial year 2015-16

Name of the Director	No. of Board Meetings held	
	Held	Attended
Shri. Rajeev Kumar Mital, IAS – CMD	11	11
Shri. Mukesh Khullar, IAS	11	11
Shri. O.K. Yempal	11	11
Smt. Pushpa Chavan	11	10
Shri. Prakash V. Page ⁽¹⁾	11	0
Shri. Pratap G. Mohite ⁽²⁾	11	2
Shri. R.D. Chavan ⁽³⁾	11	7
Shri. Vishwas Pathak ⁽⁴⁾	11	7

⁽¹⁾ Shri. Page ceased to be Director with effect from 29.04.2015

⁽²⁾ Shri. Mohite ceased to be Director with effect from 06.06.2015

⁽³⁾ Shri. Chavan was appointed as a Director with effect from 05.05.2015

⁽⁴⁾ Shri. Pathak was appointed as a Director with effect from 24.08.2015

(ii) COMMITTEE OF THE BOARD OF DIRECTORS

The Company has the following Committees of the Board:

• Audit Committee (AC)

The Audit Committee was re-constituted on 24.08.2015 pursuant to provisions of Section 177 of the Companies Act, 2013. The composition of Audit Committee as on the date of report is as under:

Sr. No.	Name of Committee Members	Designation	In the ex-officio capacity of
1.	Shri Vishwas Pathak	Chairman	Independent Non-executive Director
2.	Smt. Pushpa Chavan	Member	Independent Non-executive Director
3.	Shri R.D. Chavan	Member	Director (Projects)-Executive

During the financial year under review, Three Audit Committee Meetings were held on the following dates:

Sr.No.	Number of Audit Committee Meeting	Date of Meeting
1.	6 th Audit Committee Meeting	07.09.2015
2.	7 th Audit Committee Meeting	31.12.2015
3.	8 th Audit Committee Meeting	22.02.2016

Audit Committee Meeting attendance of directors during financial year 2015-16

Name of the Director	No. of Meetings held	
	Held	Attended
Shri. Vishwas Pathak	3	3
Smt. Pushpa Chavan	3	2
Shri. R.D. Chavan	3	3

The scope and terms of reference of the Audit Committee is in accordance with the Act.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

- **Nomination and Remuneration Committee(NRC)**

The Nomination and Remuneration Committee was re-constituted on 24.08.2015 pursuant to provisions of Section 178 of the Companies Act, 2013. The composition of NRC as on the date of report is as under:

Sr. No.	Name of Committee Members	Designation	In the ex-officio capacity of
1	Shri. Vishwas Pathak	Chairman	Independent Non-executive Director
2	Smt. Pushpa Chavan	Member	Independent Non-executive Director
3	Shri. Rajeev K. Mital	Member	Chairman & Managing Director

During the financial year under review, no NRC Meeting was held.

The Terms of Reference of Nomination and Remuneration Committee are as under:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down. The Committee will recommend to the Board for their appointment and removal;
- Carry out evaluation of every director's performance;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to:
 - remuneration for the directors,
 - Key Managerial Personnel and other employees.
- Oversee the matters pertaining to HR Policies and while formulating the policy ensure that-
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
 - c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

- **Corporate Social Responsibility Committee (CSRC)**

The Corporate Social Responsibility Committee was constituted on 19.05.2014 pursuant to provisions of Section 135 of the Companies Act, 2013. CSR Policy was adopted in 03.12.2015 and accordingly the composition of CSRC as on the date of report is as under:

Sr. No.	Name of Committee Members	Designation	In the ex-officio capacity of
1.	Shri. Rajeev K. Mital, IAS	Chairman	Chairman & Managing Director
2.	Shri. R.D. Chavan	Member	Director (Projects)-Executive
3.	Shri. Vinayak Sathe	Member	Director (Finance)-Executive
4.	Shri. Vishwas Pathak	Member	Independent Non-executive Director

During the financial year under review, one CSRC Meeting was held on the following date:

Sr.No.	Number of CSRC Meeting	Date of Meeting
1.	1 st Corporate Social Responsibility Committee Meeting	12.10.2015

CSRC Meeting attendance of directors during financial year 2015-16

Name of the Director	No. of Meetings held	
	Held	Attended
Shri. Rajeev K. Mital, IAS	1	1
Shri. R.D. Chavan	1	1
Shri. Vinayak Sathe ⁽¹⁾	1	0
Shri. Vishwas Pathak	1	1

1. Shri. Sathe was appointed as a Director with effect from 02.04.2016.

III. FINANCIAL HIGHLIGHTS

(A) During the year under review, performance of your company as under:

[Rs. In Crs]

Particulars	2015-16	2014-15
Total Income	3,570	5,432
Total Expenditure	2,902	2,792
Profit before tax and Prior Period Adjustment	667	2,640
Less: Net Prior Period Expenses / (Income)	95	40
Profit Before Extraordinary Items and Tax	572	2,600
Extraordinary Items :	4,654	--
Depreciation due to FRP Scheme		
Profit Before Tax	(4,082)	2,600
Provision for Tax	174	836
Net Profit / (Loss) after Tax available for Appropriation	(4,256)	1,764

There is a loss before Tax for the year 2015-16 of Rs. 4,082 crore as profit of Rs. 2,600 crore during the previous F.Y. 2014-15. The total loss after provisions of tax is Rs. 4,256 crores for F.Y. 2015-16 as against profit of Rs. 1,764 crore during the previous F.Y. 2014-15. The Major element of Revenue for the Company is Transmission Charges which is collected from State Transmission Utility (STU). This loss is due to implementation of FRP and effect of depreciation on the financial position of the Company.

The total gross asset base of Mahatransco at the end of 31.03.2016 was Rs.29,444 Crores. The Company has delivered record performance across most of its operating indicators during 2015-16. Mahatransco's performance as per regulatory standards has also been excellent. However, For F.Y. 2015-16 the company has posted loss of Rs. 4,256 crores, this is mainly due to depreciation impact of around Rs.4,654 crores on account of FRP notified by GoM against profit of Rs. 1,764 crore in the previous year. Capital expenditure was pegged at Rs. 1,263 Crore for up gradation for the transmission infrastructure. Assets increased by Rs.8380 crore which includes impact of Rs.6,289 crores on account of FRP during F.Y. 2015-16.

Just Like other power utilities in the country Mahatransco work under a regulated environment wherein 15.5% return on equity is allowed. But the company has been fairly successful in generating revenue from other source as well.

(B) Reserves

The Company has transferred Rs. 5,260 lakhs to Contingency Reserve Fund.

(C) Change in Share Capital

The Company was incorporated on 31st May, 2005, with an initial Authorized and Paid up capital of Rs.5 lakhs. The Electricity Act, 2003 provided for reorganization of the State Electricity Boards. Accordingly, in exercise of the powers conferred by sub-section (1) of section 131 of the Electricity Act, 2003, the restructuring of the erstwhile MSEB was approved in the State Cabinet. Further on June 4, 2005 Government of Maharashtra (Industries, Energy and Labour Department) issued Notification on "The Maharashtra Electricity Reforms Transfer Scheme, 2005", (Transfer scheme). As per clause 5(1) read with Schedule 'A' of the Transfer Scheme the functions, business and undertaking forming part of 'Transmission Undertaking' was transferred to MSETCL with effect from 6th June, 2005 and according to Clause 5(6) of the Scheme it was directed that the respective resultant companies / transferee companies, in consideration of transfer and vesting of respective undertakings specified in the Transfer Scheme for Transmission Undertaking, shall issue shares and / or instruments as the State Government may notify by order to Govt of Maharashtra. Pursuant to the scheme, the assets and liabilities of MSEB were transferred to MSETCL against the total consideration, which the Company was required to pay by allotting equivalent equity shares to MSEBHCL. However, the Financial Restructuring Plan (FRP) could not be materialized because of which the scheme envisaged in the FRP could not be effected and undergone many revisions from time to time. MSEB Holding Company Ltd. after taking approval from its Board of Directors forwarded revised FRP to Ministry of Finance, through Ministry of Energy, Govt. of Maharashtra for consideration. The FRP was finalized at the Meeting of High Power Committee of Secretaries chaired by the Chief Secretary, Govt. of Maharashtra on 11th February, 2016. Thereafter Cabinet finalized and approved the FRP on 31st March, 2016 vide GR No. रीफॉर्म २०१०/प्र. क्र १७/ऊर्जा-३ dated 31st March, 2016. As per FRP asset values of all the Successor Companies increased and MSETCL being the Subsidiary allotted 6,28,89,32,733 equity shares of Rs. 10/- each to MSEB Holding Company Limited and increased the value of assets simultaneously. As there was no fund flow involved in the allotment of shares and the valuation of Fixed Assets the implementation of FRP did not had any adversely impact on the liquidity position of the Company.

The Capital Structure of the Company is as under:

(Amt in Rs.)

Particulars	Before implementation of FRP	Addition/ Increase required for implementing FRP		After implementation of FRP (as on 31.03.2016)
Authorized Share Capital	15,000,00,00,000	---		15,000,00,00,000
Issued, Subscribed and Paid-up Share Capital	26,96,04,20,000	FRP	62,88,93,27,330	89,84,97,47,330
		Total = 62,88,93,27,330		

Therefore during the F.Y. 2015-16, the paid-up share capital of the Company has been increased from Rs. 26,96,04,20,000 to Rs. 89,84,97,47,330.

(D) Dividend

In view of the losses incurred, your Directors do not recommend any dividend for the financial year ended on March 31st, 2016.

(E) Internal Controls

The Company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly.

(F) Subsidiary Company

The Company is a subsidiary of MSEB Holding Company Limited by virtue of provisions of Section 2 (87) of the Companies Act, 2013.

(G) Cost Auditors

The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, in exercise of powers conferred u/s 148 of the Companies Act, 2013 issued Companies (Cost Records and Audit) Amendment Rules, 2014 to audit Cost Accounting Records and Books of Accounts maintained by the company in respect of Electricity Industry. M/s. S.R. Bhargave & Co., Cost Accountants, Pune were the cost auditor for the F.Y. 2015-16.

The Board of Directors appointed M/s. Sanjay Gupta & Associates, Cost Accountants, Mumbai as the cost auditor for the F.Y. 2016-17 and their appointment has been taken on record by MCA.

(H) Statutory Auditors

As the Company is a Government Company under section 2(45) of the Companies Act, 2013, the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 appoints the statutory auditors to audit the annual accounts. M/s Jain Chowdhary & Co. Chartered Accountants were appointed as Statutory Auditors for F.Y. 2015-16.

The C&AGI, New Delhi vide letter no. No. CA. V/COY/MAHARASHTRA, MSETCL(1)/1494 dated 08.09.2016 has appointed 'Jain Chowdhary & Co.' Chartered Accountant Firms as the statutory auditors for the financial year 2016-17. The statutory auditors appointed by C&AGI will hold office until the conclusion of next Annual General Meeting.

(I) Explanation to the remarks of Statutory Auditor's Report

An explanation to the remarks of the Statutory Auditors is enclosed as Annexure III.

In terms of Section 143 (6) of the Companies Act, 2013 the comments of the Comptroller and Auditor General of India on the accounts of the Company for the year ended March 31st, 2016 are annexed to the report as **Annexure IV**.

(J) Deposits

During the year under review, the Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public.

(K) Particulars of Loans, guarantees or investments

Your company has not directly or indirectly

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,
- b) given any guarantee or provide security in connection with a loan to any other body corporate or person and
- c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

(L) Related Party Transactions

During the year under review, there were no contract or arrangements entered into by the Company in accordance with provisions of section 188 of the Companies Act, 2013.

(M) Change in the Nature of Business, If any

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

(N) Funding arrangement/Institutional Borrowing

MSETCL has submitted its Capital expenditure plan for FY 2015-16 to 2019-20 of around Rs.7,875 crores to MERC.

Mahatransco has been earning profit since its inception i.e from 2005-06 onwards, after the trifurcation of the erstwhile Maharashtra State Electricity Board(MSEB).

In the financial 2015-16, Mahatransco has raised Rs. 809 Crore through debt. For the debt component, Mahatransco has tied up with the Power Finance Corporation (PFC), the Rural Electrification Corporation (REC) and nationalized banks. MSETCL has earlier raised loans from International Agencies like the International Monetary Fund and the Japanese Bank for International Co-Operation (JBIC).

MSETCL participation in Green Energy Corridor Project:

MSETCL as a green initiative measure has participated in Green Energy Corridor Project. The Green Energy Corridor Project is a project which aims at synchronizing electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid.

During 12th Plan period, large scale renewable generation (Wind, Solar Power) is envisaged to come up in renewable energy potential rich states. For this Ministry of New & Renewable Energy (MNRE) of Government of India has undertaken a scheme namely "Green Energy Corridor".

<p>GEC - I (Tranche-II) Scheme (MSETCL):</p> <ul style="list-style-type: none"> • No. of Transmission Elements - 27 • 220kV Lines - 190 CKm • 132kV Lines - 783.36 CKm • Additional Evacuation Capacity to be made available - 2570 MW • Estimated Cost - Rs. 367 Crores <p>GEC - II (Tranche-III) Scheme (MSETCL)</p> <p>On the lines of GEC (Tranche-II) scheme, GEC (Tranche-III) scheme has been prepared by MSETCL primarily for evacuation of expected Solar</p>	<p>Power generation.</p> <p>The details of the scheme are as under :</p> <ul style="list-style-type: none"> • No. of Transmission Elements – 13 • 220kV Lines - 90 CKm • 132kV Lines - 421 CKm • No. of Substation - 1 • No. of ICTs - 2 • Addl. Evacuation Capacity to be made available - 1090 MW • Estimated Cost - Rs. 275.7954 Cr.
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IV. OTHER COMPLIANCES**(A) Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under M/s. Ajith Sathe, Practicing Company Secretary have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure -IV to this report. The report is self-explanatory and do not call for any further comments.

(B) Risk Management Policy

The Board of Directors have approved Risk Management Policy as on dt. 02.06.2016 and implemented it w.e.f. 02.06.2016. The Board has adopted Policy to proactively manage uncertainties and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. The Board has ensured sustainable business growth, stability by promoting a pro-active approach in reporting, evaluating and resolving risks associated with the business. The Policy is available on company's website at <http://www.mahatransco.in/wps/wcm/connect/834c7d804f283c9ab84dfa4e0ca95869/RISK+MANAGEMENT+POLICY-+02.06.2016.pdf?MOD=AJPERES>

(C) Extract of Annual Return

The Extract of Annual Return in form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as Annexure V.

(D) Material Changes and Commitments, if any, 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

There is no such material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

(E) Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

There is no such orders passed, to which impacting the going concern status and company's operations in future.

(F) Transfer of amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years.

Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

V. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per the requirements of the disclosures under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

The Company is fully committed to the conservation of energy and had made conscious efforts in this direction by adopting energy conservation state of art of technology:

- Provided Energy efficient tube light to all substations/offices.
- Provided energy efficient auxiliaries and adopting clean technology.
- Adopting various conditions monitoring system to identify loose connections responsible for energy loss.
- Adopting standard Auxiliary consumption limits and monitoring thereof.
- Adopting live line maintenance techniques to reduce transmission loss due to network outage.
- Optimization of network outages for reduction in transmission loss.
- Optimum utilization of capacitor bank and close monitoring thereof for reactive loss compensation.
- Energy audit for EHV substations.

Technology Absorption

Improvement in substation & transmission line Engineering and Adaptation of new technologies:

- ❖ Substation automation system for EHV class substations.
- ❖ Online condition monitoring technique for EHV equipment.
- ❖ Monopole design for EHV lines.
- ❖ Integrated new technologies in EHV class transformers such as-
 - ✓ Nitrogen injection fire protection system(NIFPS).
 - ✓ Fiber optic sensor for temperature measurement.
 - ✓ Online gas & moisture measurement system.
 - ✓ Line signature value for new transmission lines.
- ❖ Gas Insulated substation (GIS) for 132kV to 400 kV substations.
- ❖ Hybrid switchgear technology for 132kV & 220kV substations.
- ❖ Optical Fiber Ground Wire (OPGW) for communication & protection system –Pilot project on FOTE.
- ❖ Geographical information system for mapping of transmission assets.

Foreign exchange earnings and Outgo

There has been no Foreign Exchange earnings and outgo during the year 2015-16.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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. It primarily focuses on inclusive socio-economic growth for development of marginalized and under-privileged sections of the society residing around its areas of operation. With this approach, your Company carries out various CSR activities with thrust on Rural Development/Infrastructural Development, Skill Development, Health, Education, Environment, etc.

The detailed note on CSR is placed in Annexure VI to this report.

VII. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 a true and fair view of the state of affairs of the company at March 31, 2015 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts for the financial year ended March 31, 2015, on a going concern basis; and
- (f) 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.

VIII. ACKNOWLEDGMENTS

Your directors sincerely thank for the guidance and cooperation extended all through by the Ministry of Power, Government of Maharashtra, Maharashtra Electricity Regulatory Commission, Tax Authorities etc. both at State and Central level for their active support. The management also extends its sincere thanks to the suppliers and erection agencies for the constructive support.

Your directors are also grateful to the various Banks and Financial Institutions for their continued trust and confidence reposed by them by rendering timely financial assistance for the successful implementation of the Projects by the Company.

The Board further immensely thanks MSEB Holding Co. Ltd., for its cooperation and in giving valuable support and guidance in every field to the Company.

Last but not the least, the Board of Directors place on record the deep appreciation for the valuable services rendered by all its employees.

For and on behalf of the Board of Directors

Rajeev Kumar Mital
Chairman & Managing Director

Place: Mumbai
Date : December 27th, 2016

Annexures to Director's Report

Annexure	Content
I	List of EHV substation commissioned during the F.Y. 2015-16
II	List of EHV transmission lines commissioned during the F.Y. 2015-16
III	Comments of Statutory Auditors and Management's Response thereupon
IV	Comments of Comptroller and Auditor General and Management's Response thereupon
V	MR-3 Secretarial Audit Report
VI	Annual Return Extracts in MGT 9
VII	Annual Report on Corporate Social Responsibility

Annexure-I

EHV Substations commissioned during the F.Y. 2015-16

EHV SUBSTATIONS COMMISSIONING DURING 2015-16							
Sr. No.	Name of Substation	MBR No. & Date	District	Circle	Zone	MVA Added	Date of Commissioning
1	220kV Kudus-II S/S 220/33-22kV 2 X100 MVA T/F	82/15 04.06.13	Thane	Kalwa	Vashi	200	31.05.15 31.10.15
2	220kV Sayne S/S 220/33kV 2X 25 MVA T/F	34/4 04.10.08	Nashik	Nashik	Nashik	50	12.06.15 11.12.15
3	220Kv Shedyal S/S 220/33kV 100MVA 220/33Kv 100 MVA	-	Sangli	Kolhapur	Karad	200	02.07.15 24.09.15
4	220Kv Mendhegiri S/S 220/33kV 100MVA	-	Sangli	Kolhapur	Karad	100	08.08.15
5	100kV hybrid GIS M/s Sify Technologies Pvt Ltd Rabale, Navi Mumbai	502 29.04.14	Thane	Kalwa	Vashi	-	22.08.15
6	220kV Khanapur S/S 220/33kV 100 MVA T/F	Wind mill	Kolhapur	Kolhapur	Karad	100	21.10.15
7	100kV Mumbra S/S 100/22kV 2 X 50 MVA T/F	52/8 23.04.10	Thane	Kalwa	Vashi	100	27.11.15
8	220kV Phulambri S/S 220/33kV 1X 50 MVA T/F	34/4 04.10.08	Aurangabad	Aurangabad	Aurangabad	50	03.12.15
9	220kV Nandgaon Peth S/S 220/33kV 2 X 50 MVA T/F	34/4 04.10.08	Amravati	Amravati	Amravati	100	14.12.15
10	132kV Daund TSS	CMD 418 30.05.13	Pune	Pune	Pune	Only Bay	31.12.15
11	400kV Nanded S/S 400/220kV 1 X 500 MVA ICT	47/5 30.09.09	Aurangabad	Aurangabad	Aurangabad	500	22.02.16
12	220kV Lonand MIDC S/S 220/132kV 100MVA T/F 220/33kV 50MVA T/F	34/4 04.10.08	Karad	Karad	Karad	150	29.02.16 23.03.16
13	132kV Ghosekhurd S/S 132/33kV 25MVA T/F	84/10 05.09.13	Nagpur	Nagpur	Nagpur	25	01.03.16
14	220kV Chakan II 220/22kV 2 X 50MVA T/F 220/132kV 100MVA ICT	65/16 12.08.11	Pune	Pune	Pune	200	06.03.16 23.03.16 30.03.16
15	220kV Bhalwani 220/33kV 50MVA T/F	92/19 19.08.14	Pune	Pune	Pune	50	08.03.16
16	220kV Manjarsumbha 220/33 kV 25MVA T/F	78/16 29.12.12	Aurangabad	Aurangabad	Aurangabad	25	08.03.16
17	132kV Yawat TSS S/Stn	CMD 418 30.05.13	Pune	Pune	Pune	Bay	26.03.16
18	132kV Waghdari S/S 132/33 25MVA T/F	34/4 04.10.08	Pune	Pune	Pune	25	28.03.16
19	220kV Kondhwa S/S 220/22kV 2 X 50 MVA T/F	69/18 31.12.11	Pune	Pune	Pune	100	28.03.16
20	132kV Arni S/S 132/33kV 2 X 25MVA T/F	65/17 12.08.11	Amravati	Amravati	Amravati	50	30.03.16
21	220kv WalchandNagar S/S 220/132kV 2X 100 MVA ICT	89/16 06.03.14	Pune	Pune	Pune	200	31.03.16
22	132kV Manegaon 132/33 2 X 50 MVA T/F	98/11 16.03.15	Pune	Pune	Pune	100	31.03.16
23	765kV Aurangabad II (Ektuni) 765/400 3X 500 MVA ICT	62/18 09.05.11	Aurangabad	Aurangabad	Aurangabad	1500	31.03.16
24	132kV Samsherpur S/S 132/33kV 1 X 25 MVA T/F	85/17 10.10.13	Nashik	Nashik	Nashik	25	31.03.16

Note:- The schemes in bold are MSETCL schemes others are ORC.

Annexure-II

EHV Transmission lines commissioned during the F.Y. 2015-16

Sr. No.	Name of EHV lines	MBR No. & Date	Type of Circuit	Circle	Zone	Ckt Km.	Date of Commissioning
1	220kV Babhaleshwar S/S to 220kV Jeur (Kaudgaon) vishwind S/S	ORC	S/C	Nashik	Nashik	86.69	11.04.15
2	220kV Ahmednagar S/S to 220kV Jeur (Kaudgaon) vishwind S/S	ORC	S/C	Nashik	Nashik	53.31	11.04.15
3	220kV LILO on Wada-Kolshet line at Kudus-II (Bhaveghar) S/S	82/15 04.06.13	D/C	Kalwa	Vashi	0.19	31.05.15
4	Conversion of S/C line into D/C line between section Magarpatta tap point to Mundhwa S/S	108 20.04.07	D/C	Pune	Pune	2.65	01.05.15
5	132kV D/C line for joining 220 kV Magarpatta S/S with 132kV Phursungi-Mundhwa line.	108 20.04.07	D/C	Pune	Pune	2.25	01.05.15
6	400kV interconnection Ckt II between 765kV Ektuni (Aurangabad-III) to 400 kV Thaptitanda (Aurangabad-II) S/S	62/18 09.05.11	S/C	Aurangabad	Aurangabad	4.8	19.05.15
7	LILO on 132kV partur Parbhani for M/S Shraddha Energy and Infra Projects Cogeneration plant at Warfalk	ORC	LILO	Aurangabad	Aurangabad	2.68	25.05.15
8	132kV SCDC Line from 132kV Switchyard of M/S Ultratech cement to 132kV switchyard of M/s Zuari Cement	ORC	SCDC	Pune	Pune	4.4	29.05.15
9	LILO on 132kV asgaon Paghora at Ghosekhurd S/S	84/10 05.09.13	LILO	Nagpur	Nagpur	17.64	03.06.15
10	132kV LILO on Chakur Udgir SCDC line for Jagruti Sugar allied Industries	ORC	LILO	Aurangabad	Aurangabad	15.07	09.06.15
11	2nd Ckt of 220kV Shendyal to jath line which is connected to 220kV mhaisal Jath line ckt at loc No.218	ORC	S/C	Karad	Karad	18.883	11.06.15
12	132kV Baliraja Sakhar Karkhana Ltd- Purna line	ORC	S/c	Aurangabad	Aurangabad	2.98	11.06.15
13	Tap on 220kV Dhule Malegaon Line for Sayne S/S	34/4 04.10.08	S/C	Nashik	Nashik	4.65	12.06.15
14	1st Ckt of 220 KV Shedyal to Jath line which is connected to 220 KV Mhaisal-Jath line Ckt. No. 1 at Loc No. 218	Wind mill	SC	Kolhapur	Karad	18.883	17.06.15
15	Conversion of 220kV S/C Chinchwad Apta Line into M/C (Loc No.38 to 62)	69/17 31.12.11	M/C	Pune	Pune	15.1	18.06.15 (Only two ckts are charged)
16	220kV Shivajinagar Malegaon Line	62/22 09.05.11	S/C	Nashik	Nashik	114.29	20.06.15
17	220kV Shivajinagar Satana Line	62/22 09.05.11	S/C	Nashik	Nashik	95.79	20.06.15
18	220kV Boisar Viraj Ckt	83/16 16.08.2013	S/C	Kalwa	Vashi	0.283	16.07.15
19	220kV Viraj Dahanu Ckt	83/16 16.08.2013	S/C	Kalwa	Vashi	0.212	16.07.15
20	132kV Chakur Ahmedpur SCDC line	34/4 04.10.0	SCDC	Aurangabad	Aurangabad	21.372	01.08.15
21	LILO line on 220KV Mhaisal-Jath Ckt. No. I for 220KV Mendhegeri S/S (Along with its 2X220KV line bays)	Wind mill	LILO	Kolhapur	Karad	19.583	04.08.15
22	100kV Kalwa Sify Line	ORC	S/C	Kalwa	Vashi	0.283	18.08.15
23	100kV Sify Washi	ORC	S/C	Kalwa	Vashi	0.212	18.08.15
24	Narrow Base line for interconnection of 315 MVA ICT at 400kV Kharghar	-	SC	Kalwa	Vashi	0.204	19.08.15

25	132kV Ghatodi Jambazar 2 nd Ckt Stringing	33/7 11.09.08	S/C	Amravati	Amravati	16.5	19.09.15
26	220kV sawangi Bhokardhan Line	24/14 13.02.08	D/C	Aurangabad	Aurangabad	134	19.09.15
27	220kV Kalwa Mulund section of Kalwa Borivali Line	61/20 11.03.11	S/C	Kalwa	Vashi	14.12	30.09.15
28	220 KV Khanapur D/C line having Ckt. length 47.2 Kms by making tap to 220 KV Vita-Lamboti line	Wind mill	D/C	Karad	Karad	47.2	21.10.15
29	Shifting of 132kV Kothrod Phursungi Line		D/C	Pune	Pune	4.448	27.10.15
30	220kV Ghatodi Hingoli SCDC Line	CMD 995 09.04.10	SCDC	Amravati	Amravati	86.31	31.10.15
31	Increasing Height of 400kV Lonikand Karad for proposed electrification of Pune bhigwan Railway section between KM 2/214 & 2/215	ORC	S/C	Pune	Pune	0.228	5.11.15
32	132Kv scdc line from Baggase Based Power plant at Pravara Nagar to 220kV BBLR S/S	ORC	SCDC	Nashik	Nashik	5.129	5.11.15
33	Ckt 1 of 132kV Akole Khirvire DC line from 132kV Akole Substation to LILO point(at location No.42) of line anf from LILO point to New Asian Hydro Plant at Nilwande	ORC Dir (P) 201 18.02.14	S/C	Nashik	Nashik	20.9	9.11.15
34	220kV LILO on 220kV Sawangi - Bhokardan for Phulambri S/S	34/4 4.10.08	LILO	Aurangabad	Aurangabad	10.774	10.11.15
35	LILO on existing 100kV Kalwa-Dombivali (PAL) for 100kV Mumbra S/S	52/8 23.04.10	LILO	Kalwa	Vashi	2.6	21.11.15
36	LILO on 220kV Bothe Phaltan Line for swaraj India Agro Co Gen project	Co-gen Proj	LILO	Kolhapur	Karad	1.2	24.11.15
37	LILO on 132kV Veer Shirwal Line for Nipro India Corpo Ltd	Co-gen Proj	LILO	Kolhapur	Karad	1.6	26.11.15
38	220kV DC New Bhusawal-Chalisgaon	34/4 04.10.08	DC	Nashik	Nashik	258	30.11.15
39	400kV Koradi Wardha D/C line	33/14 11.09.08	D/C	Nagpur	Nagpur	240.68	01.04.15 08.12.15 12.01.16
40	LILO on 220kV Amravati Badnera Line for 220kV Nandgaon Peth S/S	34/4 04.10.08	LILO	Amravati	Amravati	62.3	10.12.15
41	132kV SCDC line from 132kV Karajgi to 132kV S/yard of M/s Jai Hind Sugar Pvt Ltd. Achegaon	ORC	SCDC	Pune	Pune	9.11	16.12.15
42	220kV D/C Cable from 400kV Hinjewadi II S/Stn to 220kV Hinjewadi II S/S	62/21 09.05.11	DC	Pune	Pune	7.6	19.12.15
43	132kV SC line from Ghodegaon Substation to M/s Spark Energy Ltd	ORC 3521 14.05.12	SC	Nashik	Nashik	1.693	28.12.15
44	132kV D/C line for Daund Traction S/S	CMD 418 30.05.13	D/C	Pune	Pune	2.95	31.12.15
45	220kV LILO on Mahad Posco at Kandalgao S/S	59/25 30.12.10	LILO	Vashi	Vashi	0.4	05.01.16
46	220kV Lonikand I Ranjangaon & 220kV Lonikand II Kathapur Line		SC	Pune	Pune	1.5	07.01.16
47	132 KV LILO lineby making Tap to 132 KV Veer - Shirwal line	Co-gen Proj	LILO	Kolhapur	Karad	0.8	21.01.16
48	132kV S/C Belwandi belwandi TSS Line	60/10 07.02.11	SC	Nashik	Nashik	3.621	26.01.16

49	Conversion of existing S/C 220kV Chinchwad Apta Line into M/C line for portion between Chinchwad S/S to proposed (400/220kV PGCIL Talegaon LILO point Loc No.28 to 30 Pkg B)		SC	Pune	Pune	0.833	04.02.16
50	132Kv D/c Deogaon Rangari Gangapur D/C line	34/4 4.10.08	DC	Aurangabad	Aurangabad	87.18	9.02.16
51	LILO on 400kV D/C Chandrapur- parli CKT-II at 400 kV Kumbhargaoon Nanded S/S	47/5 30.09.09	LILO	Aurangabad	Aurangabad	87.648	11.02.16
52	132 KV Asgaon Bay Tapping on 132KV Kardha Asgaon line at loc no.185 , for Gosekhurd S/S	84/10 05.09.13	Tapping	Nagpur	Nagpur	20.22	01.03.16
53	220kV D/C Nanded Bhokar	34/4 04.10.08	D/C	Aurangabad	Aurangabad	73.46	03.03.16 04.03.16
54	220kV D/C Kumbhargaoon Waghala Line	47/5 30.09.09	D/C	Aurangabad	Aurangabad	30.88	05.03.16 06.03.16
55	220kV M/C Line from Bridgestone to Chakan Phase II	65/16 12.08.11	D/C	Pune	Pune	10.19	06.03.16
56	LILO on 220kV Vita-Pandharpur for Bhalwani	92/19 19.08.14	LILO	Pune	Pune	25.7	08.03.16
57	LILO on Beed Patoda for Manjarsumbha	78/16 29.12.12	LILO	Aurangabad	Aurangabad	8.64	08.03.16
58	Work of Diversion of 220kV D/C Bhusawal Chalisgaon from Loc No,266 to 272 along with existing 220kV Bhusawal Chalisgaon Line	90/24 19.05.14	D/C	Nashik	Nashik	1.46	09.03.16
59	Replacement of existing 220kV D/C Nagothane wadkhal line of 0.4 Zebra conductor with ACSS high ampacity conductor	ORC	Replace ment	Kalwa	Vashi	0	11.03.16
60	220KV Kanhan Bhandara LILO on 2 nd Ckt for M/s Ultratech Cements Ltd. at loc. no. 197	228 dt.03.03.15	S/c	Nagpur	Nagpur	1.005	15.03.16
61	220KV Lamboti Tuljapur D/C Line	34/4 04.08.08	D/C	Aurangabad	Aurangabad	77	18.03.16
62	LILO on 220KV Chitegaon-Shendra line at 1200KV Chitepimpalgaon S/S (PGCIL)	DIR 471 05.05.15	LILO	Aurangabad	Aurangabad	1.9	19.03.16
63	Interconnection between 220 kV Lonikand I – 220 kV Lonikand II		D/C	Pune	Pune	3	23.03.16
64	132kV D/C Line from Yawat to Yawat TSS	CMD418 30.05.13	D/C	Pune	Pune	12.99	26.03.16
65	132 KV SC line on DC Tower from Naldurg to Waghdari s/s for Waghdari SS	34/4 04.10.08	S/C	Pune	Pune	25.89	26.03.16
66	LILO on 220kV Chinchwad Phursungi Line for Kondhwa S/S	69/18 31.12.11	LILO	Pune	Pune	1.092	27.03.16
67	220kV Koradi II- New Khaperkheda	33/14 11.09.08	D/C	Nagpur	Nagpur	27.55	30.03.16
68	LILO on 132KV Ghatodi-Digras Line for 132/33 KV Arni S/S	65/17 12.08.11	LILO	Amravati	Amravati	64	30.03.16
69	132kV DCDC Samsherpur to tap point on existing 132kV Shahada Taloda S/C line	85/17 10.10.13	DCDC	Nashik	Nashik	23.74	30.03.16
70	220 kV D/C line from 220 kV Bhigwan S/S to Walchandnagar S/S	89/16 06.03.14	D/C	Pune	Pune	54	31.03.16
71	LILO on 132 KV one ckt of Vaspeth - Sangola	98/11 16.03.15	LILO	Pune	Pune	21.54	31.03.16
72	1 Ckt of 220 KV LILO line on 220 KV Kolhapur-Sawantwadi line for 220 KV Bidri S/S	34/4 04.10.08	S/C	Kolhapur	Karad	13	31.03.16
Total						2108.99	

Note:- The schemes in bold are MSETCL schemes others are ORC.

Annexure - III

Reply to the Statutory Auditors qualification on the Audit Report for the Financial year 2015-16
 (Ref. Basis for qualified opinion on Audit Report Page No. 02)

REPLIES TO THE STATUTORY AUDITOR REPORT FOR THE YEAR 2015-16		
Sr. No.	STATUTORY AUDITORS REPORT	MSETCL's Reply
I	<p><u>Report on the Standalone Financial Statements</u></p> <p>We have audited the accompanying standalone financial statements of Maharashtra State Electricity Transmission Company Limited, which comprises of the Balance Sheet as at 31st March 2016, the Statement of Profit & Loss, Cash Flow Statement for the year then ended, and the summary of significant accounting policies and other explanatory information.</p>	Factual
II	<p><u>Management's Responsibility for the Standalone Financial Statements</u></p> <p>The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	Factual
III	<p><u>Auditor's Responsibility</u></p> <p>Our responsibility is to express opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether standalone financial statements are free from material misstatement.</p>	Factual

Sr. No.	STATUTORY AUDITORS REPORT	MSETCL's Reply
	<p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the standalone financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis of our audit opinion.</p>	<p>Factual</p>
<p>IV</p>	<p><u>Basis for Qualified Opinion</u></p> <p>1. The Assets and Liabilities of the company contain balances transferred under the 'Transfer Scheme' notified as on 4th June, 2005 by the Maharashtra Electricity Reforms Transfer Scheme, 2005. Industries, Energy & Labour department vide their notification dated 31/03/2016 further notified 'Maharashtra Electricity Reforms Transfer (First Amendment) Scheme, 2016' which carried instructions for enhancing the value of Net Fixed Assets so transferred to the company as on 05/06/2005 by Rs. 6,28,893.27 Lakhs.</p> <p>Such retrospective enhancement in the value of Net Fixed Assets has resulted into one time extra depreciation of Rs. 4,65,379.36 Lakhs being charged during the current financial year for which no specific accounting policy has been adopted by the company.</p> <p>Attention is also drawn to Note no. 1(a) wherein the company has disclosed the facts of having charged such one time extra depreciation of Rs. 4,65,379.36 Lakh as per the above mentioned notification. The same has resulted into decrease in profit to that extent.</p> <p>2. Balances of account heads namely (i) Sundry Debtors, (ii) Sundry Creditors, (iii) Obsolete Material Stock (including scrap), (iv) Loss due to Material pending investigation, (v) Assets Under Construction, (vi) Adv to Contractor/supplier, (vii) Capital Adv for Projects, (viii) Miscellaneous Loans & Advances, (ix) Expenses Recoverable from Vendors, (x) Provision for Capital Work, (xi) Security Deposit Job Work, (xii) MSEB holding company Ltd and its fellow subsidiaries & (xiii) Provision for Expenses (accounted for under GL Code 150030 & 150040) are subject to confirmations and adjustments necessary upon reconciliation. The effect of the adjustments arising from reconciliation and settlement of old dues and possible loss that may arise on account of non recovery or partial recovery of such dues is not ascertained.</p>	<p>Government of Maharashtra vide notification dt 31.03.2016 has amended the Maharashtra electricity Reforms Transfer Scheme, 2005. According to this notification, the value of the Net Fixed Assets of the successor companies as on 5th June, 2005 will be increased by Rs 6,28,893.27 Lakhs. The consequential increase in the value of assets shall be treated as Equity share capital. Pursuant to this notification, MSETCL has given effect and accordingly additional depreciation due to this FRP scheme is Rs.4,65,379.36 Lakhs, which is shown as extra-ordinary item. Company has Profit before tax of Rs. 57,171.59 Lakhs. However due to this extra ordinary item of FRP depreciation Company has incurred net loss of Rs 4,25,579.12 Lakhs.</p> <p>Balances of Bank Loans have been confirmed with the respective banks, balances with MSEB holding Co. & its subsidiaries is being reconciled. Balance confirmation letters have been send to respective Sundry Debtors & Creditors.</p>

Sr. No.	STATUTORY AUDITORS REPORT	MSETCL's Reply
V	<u>Qualified Opinion</u> In our opinion and to the best of our information and according to the explanations given to us, except for effects of the matters described in the 'Basis of Qualified Opinion' paragraph, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:	
	a) In the case of the Balance Sheet, of the state of affairs of the company as on 31 st March 2016	Factual
	b) In the case of Statement of Profit & Loss, of the Loss for the year ended on that date, and	Factual
	c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.	Factual
VI	<u>Report on the Legal and Regulatory requirements</u> As required by the 'Directions and sub directions' issued by office of the Principal Accountant General-III, Maharashtra vide their 'Letter' of even date in terms of section 143(5) of the Act, we give in the Annexure A- statement on the directions and sub- directions as specified in the 'Letter'.	Factual
	As required by the Companies (Auditor's Report) Order, 2016 (The Order), as amended, issued by the Central Government of India in terms of section of 143(11) of the Act, we give in the Annexure B- statement on the matters specified in paragraphs 3 and 4 of the Order.	Factual
VII	<u>As required by section 143(3) of the Act, we report that:</u>	
	a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.	Factual
	b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.	Factual
	c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.	Factual
	d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the accounting standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.	Factual
	e) On the basis of the written representations received from the directors as on 31 st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.	Factual

Sr. No.	STATUTORY AUDITORS REPORT	MSETCL's Reply
	<p>f) In our opinion, considering nature of business, size of operation and organizational structure of the entity, 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 March 31st, 2016, based on 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</p>	Factual
	<p>g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p>	
	<p>i. The Company has disclosed the impact of pending litigations on its financial position—Refer note 53 to the standalone financial statements.</p>	Factual
	<p>ii. The Company has made provisions as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivative contracts.</p>	Factual
	<p>iii. The company was not required to transfer any amount during the year to investor education and protection fund in accordance with the relevant provision of the Companies Act and rules made there under.</p>	Factual

“Annexure A” to INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph of our Report of even date)

'Directions and sub –directions' issued by the office of the Principal Accountant General-III, Maharashtra vide their 'Letter' of even date in terms of section 143(5) of the Act

AUDITORS REPORT		MSETCL's Reply
Directions under sub-section (5) of section 143 of the Companies Act, 2013		
1.	<p>To report whether there are any cases of waiver/ write off of debts/loans/interest etc. if yes, the reasons thereof, and the amount involved.</p> <p>It may be noted that total trade receivables of the company as per Note No. 18 are Rs. 2,59,263.30 Lakhs (GL Code 260010, 260030, 260040, 260060 & 260070) as at 31/03/2016 (Previous Year Rs. 2,98,293.91 Lakhs as at 31/03/2015) and major portion of the same is against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL). Receivables from MSEDCL are against two parts:-</p> <p>a) Transmission charges approximately being Rs. 2,32,605.75 Lakhs (GL 260010 Cons. No. 1000000041 & 1000000087) as at 31/03/2016 (Previous Year Rs. 2,33,747 Lakhs as at 31.03.2015) which the company recovers through STU. The said amount recoverable from MSEDCL is considered good and no provision for Bad Debts has been made against such outstanding dues. Dues from MSEDCL are received in parts but on a regular basis.</p> <p>b) Dues recoverable on account of IUT (Inter Unit Transactions) which are Rs. 19,726.39 Lakhs (GL 260060 Cons.No. 1000000034) as at 31/03/2016 (Previous Year Rs. 19,697 Lakhs as at 31.03.2015). The said IUT balances cannot be written off until it is fully reconciled.</p> <p>Thereby total amount recoverable against MSEDCL accounts for 97.33% (Previous Year 85% as at 31/03/2015) of the total debtors of the company.</p> <p>It was observed that company follows the practice of deducting “Liquidated Damages (LD)” from payments made to contractors / vendors for non fulfillment/ non compliance with either scheduled date of delivery or other terms and conditions of contract. The said amount of LD gets accounted for under 'Other Non Current Liabilities – Deposits' in Liability side of Balance Sheet. A portion of such LD retained gets accounted for as income and the balance gets refunded back to the respective vendor / contractor, as the case may be, after final billing. Total amount of such LD getting reflected under liability side of balance sheet was Rs. 6,788.42 Lakhs (GL 123110) as at 31.03.2016 (Previous Year Rs. 4,981.57 Lakhs as at 31.03.2015) whereas the amount of LD getting booked as income was only Rs. 479.58 Lakhs (GL 380060) as at 31/03/2016 (Previous Year Rs. 72.09 Lakhs as at 31.03.2015). The company vide its accounting policy stated at Para 2(I)(iv) of Notes forming part of Financial statements has clarified that such LD charges gets accounted for under “ Other Income” upon 'realization basis' only.</p> <p>As per the information available on record, invoices have been raised by STU on distribution licencees for claiming 'Delayed payment charges' (DPC). The total share of MSETCL of the DPC amount as at 31.03.2016 was Rs. 83,495.25 Lakhs (Previous Year as at 31.03.2015 was Rs. 48,422.05 Lakhs) which has not been considered as income for the F.Y.2015-16 as per the significant accounting policy of the company disclosed at Para 2 (I) (ii) read along with Notes to Accounts No. 56 (e) “Other Notes” to Balance Sheet.</p>	Factual

	AUDITORS REPORT	MSETCL's Reply
	<p>The amount receivable by the Company including the advances given to the suppliers/ sub contractors by the Company were found critically analyzed. Reviewed on regular basis. With respect to other outstanding debtors (for expenses) of the company, provision for 'Doubtful Debts' for Rs. NIL (Previous year 2014-15 Rs. 149.11 Lakhs) has been made by the company as at 31.03.2016.</p>	
	<p>During the course of audit and as per information and explanations given to us, there were no other cases/ instances of waiver/ write off of any loans/debts/ interest being given by the company during F.Y. 2015-16.</p>	Factual
2.	<p>Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities</p>	
	<p>As per information and explanations provided to us by the Management of the Company, there were no inventories or items of stores & spares lying with third parties at any time during the year under audit.</p>	Factual
	<p>Further, no assets have been received as gift from Government or other agencies by the Company during F.Y. 2015-16.</p>	
3.	<p>A report on age-wise analysis of pending legal/ arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.</p>	
	<p>The operation of the company are spread all across the state of Maharashtra & for operation convenience, the working of the Co. has been divided in to 7 Zones</p>	
	<p>Details of all pending/arbitration cases, individually more than Rs. 10.00 Lakhs, have been duly disclosed in Notes to Accounts under the head "Contingent Liability" for F.Y. 2015-16 at Note No. 53 to Balance Sheet.</p>	Factual
	<p>In addition to above, there are 40 number of small pending legal/arbitration cases individually less than Rs. 10.00 Lakhs which are also of 'Contingent' nature.</p>	
	<p>Legal expenses as and when incurred are accounted for on mercantile basis and are separately shown as "Legal and Professional Fees" under the head 'Other Expenses' in Note No. 29 (i) of Profit & Loss Account. The total legal expenses incurred during the year amounts to Rs. 979.17 Lakhs (F.Y. 2014-15 Rs. 632.55 Lakhs).</p>	
	<p>The legal expenses were found sanctioned, paid and accounted for in routine manner as in the case of other administrative expenses.</p>	
4.	<p>If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined, including the mode and present stage of disinvestment process.</p>	
	<p>The company has not been selected for 'Disinvestment' purpose. Hence, the information sought is Not Applicable to the company.</p>	Factual

Sub-directions under sub-section (5) of section 143 of the Companies Act, 2013

	AUDITORS REPORT	MSETCL's Reply																																
I.	Whether there is appropriate classification of Inventory with value such as Scrap, Obsolete Material etc.	Factual																																
	It has been observed during the course of audit that there exists an appropriate system for classification of Inventory in the company. The details of GL Codes used along with their outstanding balance as at 31/03/2016 for accounting various types of Inventory under SAP are as under:																																	
	<table><tr><th>GL Codes: Description of inventory / material</th><th>O/s bal.as at 31.03.16 (Amt.in Lakhs Rs)</th></tr><tr><td>250010 : Steel</td><td>1146.27</td></tr><tr><td>250020 : Cement</td><td>0.00</td></tr><tr><td>250030 : Transformers</td><td>6398.75</td></tr><tr><td>250040 : Metering Eqp.& S/S Eqp.</td><td>7827.17</td></tr><tr><td>250050 : Cables & Conductors</td><td>8235.62</td></tr><tr><td>250060 : Poles</td><td>0.00</td></tr><tr><td>250070 : Service Connection Material & Elect.Fittings</td><td>0.00</td></tr><tr><td>250080 : Spares</td><td>880.55</td></tr><tr><td>250090 : Others</td><td>2712.75</td></tr><tr><td>255010 : Material pending investigation</td><td>7.10</td></tr><tr><td>255020 : Loss due to Material pending investigation</td><td>202.91</td></tr><tr><td>255030 : Spl.GL stores inventory bill</td><td>0.00</td></tr><tr><td>255040 : MASA Stock Rectification</td><td>249.20</td></tr><tr><td>256010 : Obsolete material stock(Incl.scrap)</td><td>174.44</td></tr><tr><td>256020 : Damaged/Rejected Material</td><td>0.00</td></tr></table>		GL Codes: Description of inventory / material	O/s bal.as at 31.03.16 (Amt.in Lakhs Rs)	250010 : Steel	1146.27	250020 : Cement	0.00	250030 : Transformers	6398.75	250040 : Metering Eqp.& S/S Eqp.	7827.17	250050 : Cables & Conductors	8235.62	250060 : Poles	0.00	250070 : Service Connection Material & Elect.Fittings	0.00	250080 : Spares	880.55	250090 : Others	2712.75	255010 : Material pending investigation	7.10	255020 : Loss due to Material pending investigation	202.91	255030 : Spl.GL stores inventory bill	0.00	255040 : MASA Stock Rectification	249.20	256010 : Obsolete material stock(Incl.scrap)	174.44	256020 : Damaged/Rejected Material	0.00
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During the course of audit it was duly observed and verified that accounting for inventory was made in a proper manner except:																																		
a) GL Code: 256010- Obsolete Material- wherein it was observed that unreconciled balances are getting reflected for past many years. It has been given to understand that such unreconciled old balances getting reflected in the said GL account were mainly on account of price variations of different inventory items which have already been issued from the respective stores. In our opinion, the nomenclature of the account i.e. 'Obsolete Material' is factually incorrect and gives a wrong understanding of the adjustments made at a later date due to price variations of inventory items. Further, the said GL code also has 'negative balances' (i.e. credit balance) outstanding in many profit centers (the highest negative balance being Rs. 1,156 Lakhs at profit centre 9000).	The GL code balances will be reconciled during the F.Y. 2016-17 & necessary accounting entry will be passed.																																	
b) GL Code 255020 / 150070- Loss due to Material pending investigation- wherein old balances are outstanding in the books since many years for which no explanation/ records are available at respective profit centres.	The GL code balances will be reconciled during the F.Y. 2016-17 & necessary accounting entry will be passed.																																	
c) GL Code 255040 – MASA Stock Rectification - wherein it was observed that unreconciled balances are getting reflected for past many years.	The GL code balances will be reconciled during the F.Y. 2016-17 & necessary accounting entry will be passed.																																	

AUDITORS REPORT		MSETCL's Reply																													
	It is emphasized that company should either reconcile or write off balances in the above mentioned GL code at the earliest	After verification / scrutiny, necessary rectification will be carried out during the F.Y. 2016-17.																													
II.	<p>Negative balances under “Advances to Contract” may be analyzed and commented with reasons and impact on financial statements.</p> <p>The company is in the business of transmission of power across the state of Maharashtra. To undertake such transmission work, the company has to construct sub stations, install transformers & transmission lines and execute all other related contractual / construction activities. In order to achieve such objective the company has a well documented and established “Contract Management System”. All contractors / suppliers/ vendors having business relations with the company have been allotted a unique 'Vendor Code' which in turn serves the purpose of individual vendor identification in SAP.</p> <p>The company has accounted for all such advances given to its contractors/ suppliers/ vendors under following GL Codes:</p> <p style="text-align: right;">(Amt in Rs. Lakhs)</p> <table><tr><th>GL Code</th><th>Description</th><th>OB 01.04.2015</th><th>Addn./Clearance during the year</th><th>CB as at 31.03.2016</th></tr><tr><td>290010</td><td>Adv.Contract/SPLR</td><td>10858.81</td><td>-8499.74</td><td>2359.07</td></tr><tr><td>290020</td><td>Cap.Adv.for project.</td><td>7592.20</td><td>-767.63</td><td>6824.57</td></tr></table> <p>The data of all registered vendors, whose balances appear in either of the two GL Codes given in the table above, were individually verified so as to identify the cases (vendors) which were having 'Negative Balances' as at 31/03/2016. Details of all such vendors are given as under:</p> <table><tr><th>Particulars</th><th>In No.</th></tr><tr><td>Vendors / Contractors wherein opening amount & closing amount had positive balance (i.e. debit balance) i.e. advances were continuing</td><td>212</td></tr><tr><td>Vendors / Contractors wherein opening amount had debit balance & closing amount had become NIL i.e. advances were squared off</td><td>39</td></tr><tr><td>Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)</td><td>13</td></tr><tr><td></td><td>(Cr.bal.of Rs. 1,054.25 Lakhs as at 31.03.2016)</td></tr><tr><td>Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)</td><td>70</td></tr><tr><td></td><td>(Cr. bal of Rs. 4,822.14 Lakhs as at 31.03.2016)</td></tr></table> <p>From analysis of the data mentioned herein above, it can be observed that the overall advances given by the company as at 31.03.2016 do not have 'Adverse / Negative Balance'. However, there are 83 individual instances / cases which had outstanding negative balance i.e, credit balance as on 31.03.2016.</p> <p>It has been informed that discrepancies in such 83 individual advances may be due to (i) wrong allocation of GL Codes or (ii) shifting of data in the system at the time of implementation of SAP (i.e. Legacy data) for which the reconciliation process has been initiated.</p>	GL Code	Description	OB 01.04.2015	Addn./Clearance during the year	CB as at 31.03.2016	290010	Adv.Contract/SPLR	10858.81	-8499.74	2359.07	290020	Cap.Adv.for project.	7592.20	-767.63	6824.57	Particulars	In No.	Vendors / Contractors wherein opening amount & closing amount had positive balance (i.e. debit balance) i.e. advances were continuing	212	Vendors / Contractors wherein opening amount had debit balance & closing amount had become NIL i.e. advances were squared off	39	Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)	13		(Cr.bal.of Rs. 1,054.25 Lakhs as at 31.03.2016)	Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)	70		(Cr. bal of Rs. 4,822.14 Lakhs as at 31.03.2016)	<p>Factual</p> <p>After verification / scrutiny & reconciliation, necessary rectification will be carried out during the F.Y. 2016-17.</p>
GL Code	Description	OB 01.04.2015	Addn./Clearance during the year	CB as at 31.03.2016																											
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	AUDITORS REPORT	MSETCL's Reply																																								
III.	Whether Profit / Loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company?	Factual																																								
	The Independent Auditor's Report vide its Para VII (c) specifically states that “The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.”																																									
IV.	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	Factual																																								
	The company is having adequate infrastructure –which includes 633 no. of sub-stations, transformers, and transmission lines for making transmission of the `power so generated by the generation companies operating in the state of Maharashtra.																																									
	Information relating to the transmission network of the company is given in the table below:																																									
	<table><tr><th>Voltage Level</th><th>EHV Substation</th><th>Transformation Capacity (MVA)</th><th>EHV Lines (CKT KM.)</th></tr><tr><td>765 KV</td><td>1</td><td>1500.00</td><td>0.00</td></tr><tr><td>500KV HVDC</td><td>2</td><td>3582.00</td><td>1504.00</td></tr><tr><td>400KV</td><td>28</td><td>23395.00</td><td>8224.96</td></tr><tr><td>220KV</td><td>211</td><td>49747.50</td><td>16325.85</td></tr><tr><td>132KV</td><td>306</td><td>26779.00</td><td>14553.91</td></tr><tr><td>110KV</td><td>36</td><td>2280.00</td><td>1736.63</td></tr><tr><td>100KV</td><td>38</td><td>2678.00</td><td>700.66</td></tr><tr><td>66KV</td><td>11</td><td>853.00</td><td>683.99</td></tr><tr><td>Total</td><td>633</td><td>110814.50</td><td>43730.01</td></tr></table>		Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)	765 KV	1	1500.00	0.00	500KV HVDC	2	3582.00	1504.00	400KV	28	23395.00	8224.96	220KV	211	49747.50	16325.85	132KV	306	26779.00	14553.91	110KV	36	2280.00	1736.63	100KV	38	2678.00	700.66	66KV	11	853.00	683.99	Total	633	110814.50	43730.01
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	Present transmission system availability and losses as against MERC benchmark are narrated as under:																																									
	HVAC System (MERC Benchmark 98%)																																									
Year	2014-15	2015-16																																								
Availability	99.73%	99.72%																																								
HVDC System (MERC Benchmark 95%)																																										
Year	2014-15	2015-16																																								
Availability	97.96%	94.53%																																								
It is a constant and ongoing endeavor of the company to improve, strengthen and further augment its infrastructural capacities so as to cope with ever increasing futuristic needs of power.																																										

	AUDITORS REPORT	MSETCL's Reply																																																												
V.	<p>How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?</p> <p>The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the F.Y. 2015-16 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:</p> <table><tr><th colspan="4">Intra State Transmission System (In. STS) Grid Loss for F.Y. 15-16</th></tr><tr><th>Month</th><th>Energy Input Intra STS (In Million Units)</th><th>Energy Output Intra STS (In Million Units)</th><th>Transmission Loss (in % age)</th></tr><tr><td>Apr-15</td><td>11979.66</td><td>11486.13</td><td>4.12</td></tr><tr><td>May-15</td><td>12678.62</td><td>12186.92</td><td>3.88</td></tr><tr><td>June-15</td><td>10940.52</td><td>10498.43</td><td>4.04</td></tr><tr><td>July-15</td><td>11985.82</td><td>11533.17</td><td>3.78</td></tr><tr><td>Aug-15</td><td>11529.16</td><td>11061.04</td><td>4.06</td></tr><tr><td>Sept-15</td><td>11244.54</td><td>10802.28</td><td>3.93</td></tr><tr><td>Oct-15</td><td>12932.72</td><td>12407.68</td><td>4.06</td></tr><tr><td>Nov-15</td><td>11825.32</td><td>11386.25</td><td>3.71</td></tr><tr><td>Dec-15</td><td>11719.00</td><td>11298.24</td><td>3.59</td></tr><tr><td>Jan-16</td><td>11348.28</td><td>10909.26</td><td>3.87</td></tr><tr><td>Feb-16</td><td>11135.60</td><td>10716.83</td><td>3.76</td></tr><tr><td>March-16</td><td>12447.00</td><td>11929.10</td><td>4.16</td></tr><tr><td>Total</td><td>141766.25</td><td>136215.34</td><td>3.92</td></tr></table> <p>From perusal of the table above, it is evident that Transmission Loss incurred by MSETCL for was 3.92% which is well below the MERC's bench mark. In other words, the said loss in accounting parlance will be termed as “Normal Loss” and will not require any separate accounting in the books of accounts. It has been verified that company has duly accounted for the energy so transmitted by it during the year under audit.</p>	Intra State Transmission System (In. STS) Grid Loss for F.Y. 15-16				Month	Energy Input Intra STS (In Million Units)	Energy Output Intra STS (In Million Units)	Transmission Loss (in % age)	Apr-15	11979.66	11486.13	4.12	May-15	12678.62	12186.92	3.88	June-15	10940.52	10498.43	4.04	July-15	11985.82	11533.17	3.78	Aug-15	11529.16	11061.04	4.06	Sept-15	11244.54	10802.28	3.93	Oct-15	12932.72	12407.68	4.06	Nov-15	11825.32	11386.25	3.71	Dec-15	11719.00	11298.24	3.59	Jan-16	11348.28	10909.26	3.87	Feb-16	11135.60	10716.83	3.76	March-16	12447.00	11929.10	4.16	Total	141766.25	136215.34	3.92	Factual
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Total	141766.25	136215.34	3.92																																																											
VI	<p>Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.</p> <p>The Company has divided its field operations amongst seven different zones in the state of Maharashtra. The major activity of the company is 'transmission of power'. Company also undertakes construction of small sub-stations, towers, plants etc., on behalf of other agencies on 'order specific basis'. Such works are identified in the company as 'ORC works'. The company charges 'Supervision Fees' over and above the expenditure incurred for executing such “ORC Work” which gets recognized as company's income.</p> <p>As per information made available by the company, details of ORC works across its different zones are given in the table below:-</p> <table><tr><th>Sr. No.</th><th>Name of Zone</th><th>ORC works as at 01.04.2015</th><th>ORC works added during the year</th><th>ORC works completed during the year</th><th>Balance ORC works remaining as at 31.03.2016</th></tr><tr><td>1.</td><td>Amaravati</td><td>1</td><td>-</td><td>-</td><td>1</td></tr><tr><td>2.</td><td>Aurangabad</td><td>14</td><td>-</td><td>2</td><td>12</td></tr><tr><td>3.</td><td>Karad</td><td>6</td><td>-</td><td>-</td><td>6</td></tr><tr><td>4.</td><td>Nagpur</td><td>25</td><td>11</td><td>7</td><td>29</td></tr><tr><td>5.</td><td>Nashik</td><td>10</td><td>-</td><td>-</td><td>10</td></tr><tr><td>6.</td><td>Pune</td><td>45</td><td>-</td><td>-</td><td>45</td></tr><tr><td>7.</td><td>Vashi</td><td>28</td><td>18</td><td>5</td><td>41</td></tr><tr><td></td><td>Total</td><td>129</td><td>29</td><td>14</td><td>144</td></tr></table> <p>“Supervision charges” accounted during the F.Y. 2015-16 on ORC works were Rs. 1,601 Lakhs.</p>	Sr. No.	Name of Zone	ORC works as at 01.04.2015	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.2016	1.	Amaravati	1	-	-	1	2.	Aurangabad	14	-	2	12	3.	Karad	6	-	-	6	4.	Nagpur	25	11	7	29	5.	Nashik	10	-	-	10	6.	Pune	45	-	-	45	7.	Vashi	28	18	5	41		Total	129	29	14	144	Factual						
Sr. No.	Name of Zone	ORC works as at 01.04.2015	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.2016																																																									
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3.	Karad	6	-	-	6																																																									
4.	Nagpur	25	11	7	29																																																									
5.	Nashik	10	-	-	10																																																									
6.	Pune	45	-	-	45																																																									
7.	Vashi	28	18	5	41																																																									
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“Annexure B” to INDEPENDENT AUDITOR'S REPORT
(Referred to in Paragraph of our Report of even date)

Sr. No.	AUDITOR'S REPORT	MSETCL's Reply
I.	In respect of its fixed assets:	
	<p>a) The records/ledgers relating to fixed assets of the Company (including their quantitative detail and situation) are not updated and cannot be reconciled with the financial ledgers, as such fixed assets records/ledgers are not maintained properly.</p>	Assets Register (AR01) and financial Ledgers is duly reconciled profit centrewise. Instruction will be issued to regularly update the same to avoid any differences.
	<p>b) The management has not undertaken physical verification of the Company's fixed assets during the year. In the absence of such record and verification we are unable to state whether there are any material discrepancies.</p>	MSETCL has implemented SAP/ERP and an exercise was carried out to update the Fixed Assets Registers data incorporating the quantitative details. Instructions have been issued to carry out the physical verification of fixed assets profit centre wise.
	<p>c) The records relating to immovable properties as reflected in the financial statements (i.e. Land Title, Lease Deed, 7/12 extract etc.) are not maintained properly or updated and the same are not reconciled with the financial statements as at 31/03/2016. In absence of complete records we are unable to state whether all such immovable properties are in the name of the Company.</p>	Compilation of ready made documents of land/leasehold lands is in progress, however it would take time since the same has to be collected from the respective zones. It is assured that the same will be done in the FY 2016-17
II.	<p>The Company had chalked out an annual stock verification program for the F.Y. 2015-16 and inspection/valuation of stocks lying with company was found duly carried out by the Company during the year as per the said program.</p>	Factual
	<p>In our opinion, the procedure of physical verification of inventory followed by the management is adequate in relation to size of the Company and the nature of its business.</p>	
	<p>On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were not material in relation to the operations of the company.</p>	
III.	<p>As per the information furnished, the company has neither taken nor granted any loans to / from companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 hence reporting under the clause (III) - (a) to (c) of The Order is not applicable to the Company and hence not commented upon.</p>	Factual
IV.	<p>In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.</p>	Factual

	AUDITORS REPORT					MSETCL's Reply
V.	During the year, the company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not apply.					Factual
VI.	The Central Government has prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013 in respect of transmission of electricity. We have broadly reviewed such relevant records of the Company and in our opinion and according to the information and explanation given to us, prima facie the Company has made and maintained the prescribed records. We have not, however, carried out a detailed examination of the records with a view to determine whether they are accurate or complete.					Factual
VII.	In respect of applicable statutory dues:					
	a)	According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues with the appropriate authorities.				Factual
	b)	According to the records of the Company, details of dues of Sales Tax, Income-Tax, Wealth Tax, Excise Duty, Service Tax, Cess and Customs Duty, Value added Tax, which have not been deposited as on 31 st March, 2016 on account of any dispute are given below:-				Factual
		Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where the matter is pending	Amount (Rs. Crores)	
		Employee State Insurance	Various Years from F.Y. 1968 -1996	Employee State Insurance Court, Pune	0.22	The matter 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
		Income Tax- FBT	A.Y. 2006-07	ACIT	0.18	Appeal against demand of Rs. 200.62 Crores partly allowed by CIT(A) against which IT Deptt. approached ITAT. Proceedigns before ITAT are still pending. Furthermore vide rectification orders dt. 28.02.2010 & 14.10.2010 unabsorbed depreciation of the erstwhile MSEB was allowed resulting the demand to Rs. NIL. Rectification application against demand of Rs. 18 Lakhs (FBT) has been filed and the same is pending

	AUDITORS REPORT					MSETCL's Reply
	Income Tax	A.Y. 2008-09	ACIT	3.28		Rectification Order dt 14.03.2011 filed in the Office of ACIT-10(1). However, the same has not been acted upon.
	Income Tax	A.Y. 2009-10	CIT (Appeal)	190.01		The proceedings before CIT(A) are under process
	Income Tax	A.Y. 2010-11	ITAT	35.19		The proceedings before ITAT are under process
	Income Tax	A.Y. 2012-13	CIT (Appeal)	3.11		The proceedings before CIT(A) are under process
VIII.	In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institutions and banks. The Company has not borrowed any sum through debentures.					Factual
IX.	Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). The Term loans raised during the year have prima facie been applied for the purpose for which they were raised.					Factual
X.	During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.					Factual
XI.	Based upon the audit procedure performed and the information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.					Factual
XII.	The Company is not a Nidhi company, therefore, the provision of clause 3 (xii) of The Order is not applicable to the Company.					Factual
XIII.	In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.					Factual

	AUDITORS REPORT	MSETCL's Reply			
XIV.	Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of shares as reported in the table below:	Factual			
	(Amount in Rs.)				
	No. of equity shares allotted and Date		Nominal Shares Price per share	Total share price per share	Basis of allotment
	2,69,59,92,000 shares on 19.05.2015		Rs. 10	26,95,99,20,000	As per directives given in Maharashtra State Electricity Reforms Transfer Scheme, 2005 issued on 04.05.2005 & Pursuant to approval given at 100 th meeting of BOD held on 19.05.2015.
	6,28,89,32,733 shares on 31.03.2016		Rs. 10	62,88,93,27,330	As per directives given in Maharashtra Electricity Reforms Transfer (First Amendment) Scheme, 2016 issued on 31.03.2016.
	All requirement of section 42 of the Co.'s Act, 2013 have been complied with by the Co. Both the allotment of shares were made on preferential basis to MSEB Holding Co.Ltd. for consideration other than cash.			Factual	
XV.	Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non cash transactions with the Directors or persons connected with him. According, the provision of clause 3(XV) of The Order is not applicable to the Company and hence not commented upon.	Factual			
XVI.	In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of The Order is not applicable to the Company.	Factual			

Annexure-IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31st MARCH 2016

The preparation of Financial Statements of **Maharashtra State Electricity Transmission Company Limited, Mumbai** for the year ended **31st March 2016** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on the independent audit in accordance with the Standards of Auditing prescribed under Section 143(10) of the Act. **This is stated to have been done by them vide their Audit Report dated 29th September 2016.**

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 Financial Statements of **Maharashtra State Electricity Transmission Company Limited, Mumbai** for the year ended **31st March 2016**. 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. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report.

A. Comments on Profitability

Statement of Profit and Loss

Other Income (Note No.25) - Rs. 25,082.40 Lakhs

1. This is understated by Rs. 112.99 lakhs by not accounting the interest approximately 15%, on mobilization advance recoverable from M/s. G.K. Power Rs. 2,67,98,776/-, M/s Rounak Industries Rs. 73,65,395/- and M/s Maha Active Engineers India Pvt. Ltd. Rs. 4,11,65,347/-, Consequently, the loss the year is overstated by Rs. 112.99 lakhs.
2. This is overstated by Rs. 227.00 lakhs by accounting interest on mobilization advance pertaining to the period up to 2014-15, which should have been booked under prior period income. Consequently, the Prior Period Expenditure (Net) is overstated by Rs. 227.00 lakhs.
3. This is overstated by Rs. 138.26 lakhs by accounting the supervision charges (Service Tax component) receivable from various parties pertaining to the year 2014-15, which should have been booked under prior period income. Consequently, Prior Period Expenditure (Net) is also overstated to the extent of Rs.138.26 lakhs.

B. Comments on Financial Position

Balance Sheet - Equity & Liabilities

Reserves and Surplus (Note No.4) - Rs. 1,69,957.44 Lakhs

4. As per the Accounting Policy No. 2(t)(3) followed by the Company, treatment of Out Right Consumers Contribution received as supervision charges should be treated as revenue income and if it is capital receipt for creation of Fixed Assets, the same be reduced from relevant Fixed Assets. The Company, however, the Company booked the deposits for creation of fixed assets amounting to Rs. 449.00 lakhs under "Other Income" during the previous year, even though the assets were already capitalised. The practice being followed by the Company is in contravention to its own policy disclosed as shown above.

This has resulted in overstatement of Reserve and Surplus as the same was credited to income in the previous years with resultant overstatement of Fixed Assets.

The above was commented on the accounts for the year 2014-15 and the Company has assured to take due care. However, both the Reserve and Surplus and Fixed Assets continued to be overstated.

Non-Current Liabilities -

Other Non Current liabilities - Rs. 1,41,279.55 Lakhs

Deposits- Rs.1,39,172.93 lakhs

5. This is overstated by Rs. 982.07 lakhs by accounting the amount of liquidated damages levied by the Company on M/s Jyoti Structures Ltd. on termination of contract in June 2014 as Deposits. The amount so recovered should have been credited to Prior Period Income. Consequently, Prior Period Expenditure (Net) has been overstated to the extent of Rs. 982.07 lakhs.

6. As per the Accounting Policy No. 2(t)(3) followed by the Company, treatment of Out Right Consumers Contribution received as supervision charges should be treated as revenue income and if it is capital receipt on account of creation of Fixed Assets, the same be reduced from relevant Fixed Assets. Even though the assets were already capitalized, the Company failed to adjust the capital expenditure against the deposits received amounting to Rs.9,514.00 Lakhs (Rs. 4,175.00 lakhs Division-I Pune, Rs. 4,737.00 lakhs Division-II Pune, Rs. 492.00 lakhs EHV CC, Kolhapur and Rs. 110.00 lakhs EHV CC, Aurangabad). The practice being followed by the Company is in contraventions to its own policy disclosed as shown above.

This has resulted in overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs. 9,514.00 lakhs.

The above was commented on the accounts for the year 2014-15 and the Company had assured to take due care. However, both the Non-Current Liabilities and Fixed Assets continued to be overstated.

Assets- Non Current Assets

Tangible Assets(Note No.13a) - Rs. 15,39,303.34 Lakhs

7. As per the Notes forming part of account No.2(s) "As per Government of Maharashtra's policy for promotion of generation of energy from non-conventional sources, 50 *percent* of cost of such power evacuation project developed by private Developers shall be borne by the Company and remaining 50 *percent* will be reimbursed by Maharashtra Energy Development Authority (MEDA) to the Developers". The Company, therefore, the Company should capitalize only the portion of assets (50 percent), which was to be reimbursed by the Company.

The Company has capitalized the whole portion of assets in its books, without adjusting the 50 *percent* of the cost of assets reimbursed by the MEDA. This has resulted in overstatement of Fixed Assets and Liabilities to the extent of Rs.977.00 lakhs.

8. As per the agreement with the various contractors, price variation is allowed on the works. The price variation is allowed only on the basic price of the supply, erection and civil works. The price variation is not granted on the mobilization advance.

The Company has paid price variation on the gross amount (basic price + taxes) and was paid on mobilization advance also, which resulted in overstatement of Fixed Assets as well as Non-Current Liabilities to the extent of Rs.633.36 lakhs in respect of the following units.

Sr. No.	Name of the Unit	Amount of over capitalized (Rs. in lakhs)
1.	EHV Construction Circle, Aurangabad	48.85
2.	EHV Construction Circle, Nagpur	149.32
3.	EHV Construction Circle, Nasik	313.78
4.	EHV Construction Circle, Kolhapur	75.15
5.	EHV Construction Circle, Amravati	46.26
Total		633.36

For and on behalf of
Comptroller and Auditor General of India

Place: Mumbai
Date: December 23rd, 2016

Sd/-
(D. K. Sekar)
ACCOUNTANT GENERAL
(AUDIT)-III

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON ACCOUNTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31st MARCH 2016 and MSETCL'S RESPONSE THEREUPON

Sr. No.	CAG's COMMENTS	MSETCL's Reply
	<p>The preparation of Financial Statements of Maharashtra State Electricity Transmission Company Limited, Mumbai for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on the independent audit in accordance with the Standards of Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29th September 2016.</p>	<p>Factual</p>
	<p>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 Financial Statements of Maharashtra State Electricity Transmission Company Limited, Mumbai for the year ended 31st March 2016. 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. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report.</p>	<p>Factual</p>
<p>A</p> <p>1.</p>	<p><u>Comments on Profitability</u></p> <p>Statement of Profit and Loss</p> <p>Other Income (Note No.25) - Rs. 25,082.40 Lakhs</p> <p>This is understated by Rs. 112.99 lakhs by not accounting the interest approximately 15% ,on mobilization advance recoverable from M/s. G.K. Power Rs. 2,67,98,776/-, M/s Rounak Industries Rs. 73,65,395/- and M/s Maha Active Engineers India Pvt. Ltd. Rs. 4,11,65,347/-, Consequently, the loss the year is overstated by Rs. 112.99 lakhs.</p>	<p>M/S GK Power was assigned the project for laying of 132 KV new Jat Tarodi along with 132 KV Pardi-Jat tarodi U/G cable line. The set project got held up due to severe ROW. Reportedly, the work on said project has now been again restarted by agency and MSETCL has initiated the aforesaid recovery of advance from the bills of the said agency. As per clause 4.1 (c) of contract agreement, the advance paid to contractor is to be recovered from first four Supply bills but within a period of one year. Since, no supply bills were submitted by the contractor till date hence no recoveries could be effected. The contractor had submitted only two civil bills amounting to Rs. 19 lakhs which have duly kept on hold. The advance given to contractor alongwith interest amount on delayed period @ 18% P.A will also be recovered from the current & forth coming bills of M/s GK power and the same will be accounted for in the current financial year.</p> <p>The project of 220KV Bhugaon-Warora</p>

Sr. No.	CAG's COMMENTS	MSETCL's Reply
		<p>was allotted to M/s. Rounak Industries, Nagpur. The work was started by the agency but got halted due to severe ROW. Reportedly, the work on said project has now been again restarted by agency. MSETCL has duly initiated the aforesaid recovery of M/s. Rounak Industries (Rs. 20 Lakhs recovered) from bills and balance amount of Rs. 53.52 Lakhs is outstanding as on date. The bills of Rs. 45 Lakhs have been submitted by the agency/contractor at subdivision office which will also be utilized for recovering the balance advance.</p> <p>As per Annexure-A, Serial number 6.1 of Payment Schedule of the contract, "The advance paid to the contractor shall be recovered from the contractor within 12 (twelve) months of issue of first installment of the advance. If it is not recovered completely within above said period of 12(twelve) months, the balance advance shall be recovered from the contractor in lump sum with the interest 1% higher than the SBI PLR. The interest will be compounded every three months and effective from the date of completion of the above period of 12 months from any due payment.</p> <p>In case of termination of contract or contractors default, the interest free advance paid to the contractor shall be recovered from the contractor with the interest at the rate 1% higher than PLR compounded every three months and which will be effective from the date of payment of the First installment of advance."</p> <p>Therefore, the remaining balance advance and interest amount on delayed period as per the rate as stipulated above will also be recovered as per the terms of agreement from forthcoming bills in due course and will be accounted for in the current financial year 2016 - 2017.</p> <p>In case of M/s. Maha Active Engineers India Pvt. Ltd., as per A/T clause, Interest is charged on outstanding mobilisation advance amount from 12 months after payment of 1st instalment of advance to vendor. The interest is recovered @1% higher than SBI BPLR rate on the outstanding amount through RA bills submitted by vendor. No provision was made for interest in year 2015-16. Total advance given Rs. 7,43,74,563/- out of which Rs. 3,32,09,216/- has been recovered on 31.03.2016 and Rs. 4,11,65,347/- is outstanding as on 31.03.2016.</p> <p>Outstanding advance of Rs. 15,10,441/- pertaining One project (T-1208) has been fully recovered in F.Y. 2016-17 with interest of Rs. 9,99,730/-. Bal. Rs. 3,96,54,906/- will be recovered from upcoming RA bills alongwith interest.</p>

Sr. No.	CAG's COMMENTS	MSETCL's Reply
2.	This is overstated by Rs. 227.00 lakhs by accounting interest on mobilization advance pertaining to the period up to 2014-15, which should have been booked under prior period income. Consequently, the Prior Period Expenditure (Net) is overstated by Rs. 227.00 lakhs.	The bank guarantee so given by the contractor was encashed during F.Y. 2014-15 but the amount so encashed was under reconciliation during the said F.Y. 2014-15. The said pending issue got duly reconciled / finally decided during the F.Y. 2015-16 only. Accordingly, the accounting treatment for the interest on mobilization advance was correctly treated as income of the current year.
3.	This is overstated by Rs. 138.26 lakhs by accounting the supervision charges (Service Tax component) receivable from various parties pertaining to the year 2014-15, which should have been booked under prior period income. Consequently, Prior Period Expenditure (Net) is also overstated to the extent of Rs.138.26 lakhs.	As a statutory obligation, the statutory dues i.e. service tax portion on supervision charges has been calculated and paid to the appropriate authority to avoid further consequences. However the same amount remained to be recovered from the concerned parties. The letter to that effect was issued to all the parties and some of the parties has remitted their dues to MSETCL and for the remaining parties, the decision of making provision for amount receivables was taken during the F.Y. 2015-16 hence the amount receivables was booked to current year income instead of booking the same to previous year income. However, as suggested, due care will be taken in future for such type of cases. In view of the above, it is requested to close the audit enquiry.
B	<p><u>Comments on Financial Position</u></p> <p>Balance Sheet - Equity & Liabilities Reserves and Surplus (Note No.4) - Rs. 1,69,957.44 Lakhs</p> <p>4. As per the Accounting Policy No. 2(t)(3) followed by the Company, treatment of Out Right Consumers Contribution received as supervision charges should be treated as revenue income and if it is capital receipt for creation of Fixed Assets, the same be reduced from relevant Fixed Assets. The Company, however, the Company booked the deposits for creation of fixed assets amounting to Rs. 449.00 lakhs under "Other Income" during the previous year, even though the assets were already capitalized. The practice being followed by the Company is in contravention to its own policy disclosed as shown above. This has resulted in overstatement of Reserve and Surplus as the same was credited to income in the previous years with resultant overstatement of Fixed Assets. The above was commented on the accounts for the year 2014-15 and the Company has assured to take due care. However, both the Reserve and Surplus and Fixed Assets continued to be overstated.</p>	<p>Pune</p> <p>FMS Section collects the ORC Deposit/Supervision Charges from the Agencies based on the demand note issued by Project Dept. In the years F.Y. 2011-12 to 2013-14, FMS had collected Rs. 7.28 crores and booked the full amount as Other Income in respective years. However, on reconciliation of the income, it was identified that the Agencies had paid Supervision Charges including ORC Deposit (Rs. 4.49 crores). The necessary rectification entry to create ORC deposit of Rs. 4.49 crores is being passed in F.Y. 2016-17 and adjustment of the ORC deposit with the asset capitalized, if any would be done in F.Y. 2016-17.</p>

Sr. No.	CAG's COMMENTS	MSETCL's Reply
5.	<p>Non-Current Liabilities - Other Non Current liabilities - Rs. 14,127.55 Lakhs Deposits- Rs.1,39,172.93 Lakhs</p> <p>This is overstated by Rs. 982.07 lakhs by accounting the amount of liquidated damages levied by the Company on M/s Jyoti Structures Ltd. On termination of contract in June 2014 as Deposits. The amount so recovered should have been credited to Prior Period Income. Consequently, Prior Period Expenditure (Net) has been overstated to the extent of Rs. 982.07 lakhs.</p>	<p>As per the circular no. MSETCL/F&A/SB/ 02684 DT. 05.03.2014, amount of Liquidated damages shall be credited to Vendor's A/c (New Retention GL) 123110 and in case where such retention amount towards LD is unremoved for the last 3 or more years or completion of the scheme, the proposal for charging the same as income shall be put up to the Competent Authority after periodical review. In the instant case, after final decision, required adjustment will be taken during 2016-17.</p>
6.	<p>As per the Accounting Policy No. 2(t)(3) followed by the Company, treatment of Out Right Consumers Contribution received as supervision charges should be treated as revenue income and if it is capital receipt on account of creation of Fixed Assets, the same be reduced from relevant Fixed Assets. Even though the assets were already capitalized, the Company failed to adjust the capital expenditure against the deposits received amounting to Rs.9,514.00 Lakhs (Rs. 4,175.00 lakhs Division-I Pune, Rs. 4737.00 lakhs Division-II Pune, Rs. 492.00 lakhs EHV CC, Kolhapur and Rs. 110.00 lakhs EHV CC, Aurangabad). The practice being followed by the Company is in contraventions to its own policy disclosed as shown above.</p> <p>This has resulted in overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs.9,514.00 lakhs.</p> <p>The above was commented on the accounts for the year 2014-15 and the Company had assured to take due care. However, both the Non-Current Liabilities and Fixed Assets continued to be overstated.</p>	<p>Pune</p> <p>EHV Division I has adjusted ORC deposit of Rs. 3.38 crore against Assets and has identified Rs 10.73 crores for adjustment against Assets and balance Rs. 31.02 crores would be identified in F.Y. 2016-17. EHV Division II has identified ORC deposit of Rs. 29.83 crores out of Rs. 47.37 crores and is adjusting the same against Assets in F.Y. 2016-17.</p> <p>Karad</p> <p>Out of Rs. 492.00 lakhs stood credited towards deposits against ORC works in the books of EHV Project Division, Sangli as on 31.03.2015. In the FY 2015-16, an amount of Rs. 0.40 crores Doc.No.100108929/18.12.2015, Rs. 0.13 crores Doc. No. 100078736/ 28.10.2015 has been knocked off. Further, in F.Y. 2016-17, an amount of Rs. 0.97 crores Doc.No. 100090942/ 31.10.2016 has been knocked off. For the balance amounts to be adjusted, the schemewise details has been identified & necessary accounting entry will be taken during the F.Y. 2016-17 by reducing the value of the assets to that extent.</p>

Sr. No.	CAG's COMMENTS	MSETCL's Reply																					
		<p>Aurangabad</p> <p>In the above context, it is to submit that M/s Canpack India Ltd. has deposited amount of Rs. 110 Lakhs towards the works of SCADA arrangement & PLCC arrangement at 132 KV substation set up by M/s Canpack India Ltd. in Waluj MIDC. Works of SCADA & PLCC for M/s Canpack was executed by MSETCL & the amount of expenditure incurred on the scheme was capitalized accordingly. It is hereby submit that the amount of Rs. 110 Lakhs will be settled in year 2016-17 from the ORC deposits head with reference to the work completion at site & appropriate entry will be passed to rectify the same.</p>																					
7.	<p>Assets- Non Current Assets Tangible Assets(Note No.13a) - Rs. 15,39,303.34 Lakhs</p> <p>As per the Notes forming part of account No.2(s) "As per Government of Maharashtra's policy for promotion of generation of energy from non-conventional sources, 50 percent of cost of such power evacuation project developed by private Developers shall be borne by the Company and remaining 50 percent will be reimbursed by Maharashtra Energy Development Authority (MEDA) to the Developers". The Company, therefore, the Company should capitalize only the portion of assets (50 percent), which was to be reimbursed by the Company. The Company has capitalized the whole portion of assets in its books, without adjusting the 50 percent of the cost of assets reimbursed by the MEDA. This has resulted in overstatement of Fixed Assets and Liabilities to the extent of Rs. 977.00 lakhs.</p>	<p>In the above context, it is to submit that M/S Samarth Sahakari Sakhar Karkhana, Mahakala Dist Jalna had deposited amount of Rs. 212 Lakh with MSETCL for the works being carried out by MSETCL on behalf of M/S SSSK. Refund proposal was processed as per the policy framed by Govt of Maharashtra for refund of evacuation of expenditure. Audit para noted for the assets capitalized as per the actual expenditure incurred whereas 50% amount of evacuation arrangement was refunded to M./S SSSK Ltd. Therefore, it is to submit that asset of evacuation scheme for M/S SSSK Ltd will be reduced & appropriate entries will be passed in year 2016-17.</p> <p>In case of M/s Vaidyanath SSK, M/s Lokmangal SSK & M/s Jai Mahesh SSK amount of capitalized is as per actual expenses incurred which have not been overstated. The same will be reconciled, reduced & rectified in current F.Y. 2016-17. In view of the above it is requested to close the Audit enquiry.</p>																					
8.	<p>As per the agreement with the various contractors, price variation is allowed on the works. The price variation is allowed only on the basic price of the supply, erection and civil works. The price variation is not granted on the mobilization advance.</p> <p>The Company has paid price variation on the gross amount (basic price + taxes) and was paid on mobilization advance also, which resulted in overstatement of Fixed Assets as well as Non-Current Liabilities to the extent of Rs. 633.36 lakhs in respect of the following units.</p> <table border="1"> <thead> <tr> <th>Sr. No.</th><th>Name of the Unit</th><th>Amount of Over Capitalized (Rs. in Lakhs)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>EHV Construction Circle, Aurangabad</td><td>48.85</td></tr> <tr> <td>2.</td><td>EHV Construction Circle, Nagpur</td><td>149.32</td></tr> <tr> <td>3.</td><td>EHV Construction Circle, Nasik</td><td>313.78</td></tr> <tr> <td>4.</td><td>EHV Construction Circle, Kolhapur</td><td>75.15</td></tr> <tr> <td>5.</td><td>EHV Construction Circle, Amravati</td><td>46.26</td></tr> <tr> <td colspan="2">Total</td><td>633.36</td></tr> </tbody> </table>	Sr. No.	Name of the Unit	Amount of Over Capitalized (Rs. in Lakhs)	1.	EHV Construction Circle, Aurangabad	48.85	2.	EHV Construction Circle, Nagpur	149.32	3.	EHV Construction Circle, Nasik	313.78	4.	EHV Construction Circle, Kolhapur	75.15	5.	EHV Construction Circle, Amravati	46.26	Total		633.36	<p>Karad</p> <p>The amount of Rs.75,14,999/- has been recovered from the Vendors in F.Y. 2016-17. The detailed recovery sheet is attached herewith</p> <p>Nashik</p> <p>Recovery of Rs. 24.30 Lakhs from M/s.Isolux, Rs. 43.01 Lakhs from M/s. Jyoti Stru.Ltd., Rs. 60.25 Lakhs from M/s. KPTL & Rs. 10.56 from Alstom has been recovered. The remaining amount will be recovered during the upcoming bills / payable to the agency during F.Y. 2016-17.</p> <p>Amaravati</p> <p>The recovery of Rs. 34.95 lakhs were recovered from M/s. JSL(copy enclosed) & balance amount will be recovered during the F.Y. 2016-17</p> <p>Nagpur</p> <p>The recovery of Rs. 86.46 lakhs were effected & balance amount will be recovered during the F.Y. 2016-17.(as per statement enclosed)</p>
Sr. No.	Name of the Unit	Amount of Over Capitalized (Rs. in Lakhs)																					
1.	EHV Construction Circle, Aurangabad	48.85																					
2.	EHV Construction Circle, Nagpur	149.32																					
3.	EHV Construction Circle, Nasik	313.78																					
4.	EHV Construction Circle, Kolhapur	75.15																					
5.	EHV Construction Circle, Amravati	46.26																					
Total		633.36																					

For and on behalf of the Board of Directors

Place: Mumbai
Date: December 27th, 2016

Rajeev Kumar Mital
Chairman & Managing Director

Annexure-V

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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,
Maharashtra State Electricity Transmission Company Limited
Prakashganga, Plot No. C -19,
'E' Block, Bandra Kurla Complex, Bandra (East),
Mumbai - 400051.

I, Ajit Y. Sathe, Proprietor of A. Y. Sathe & Co., Practicing Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Maharashtra State Electricity Transmission Company Limited (CIN: U40109MH2005SGC153646)** (hereinafter called as 'the Company'). The 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, 2016 ('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 31st March, 2016 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 a Unlisted Public 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 Audit Period);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable as the Company is an Unlisted Public Company:
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - 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;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) In respect of other laws specifically applicable to the Company, the below-mentioned other law is specifically applicable to the Company:

1. The Electricity Act, 2003 and the rules made thereunder

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

- The Secretarial Standards issued by The Institute of Company Secretaries of India (applicable w.e.f. 1st July, 2015);
- 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 an Unlisted Public Company).

During the Audit Period, 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:

- The Company has only one Independent Director during 13th May, 2015 to 24th August, 2015, instead of minimum requirement of two Independent Directors as per the Act and consequently, the composition of Audit Committee and Nomination & Remuneration Committee is not proper;
- The Company did not have Company Secretary during 30th May, 2015 till 21st June, 2015 and Chief Financial Officer during financial year ended 31st March, 2016.

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 constituted with 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 member's 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:

Date of allotment	No. of shares	Consideration	GR No.
19/05/2015	2,695,992,000	Other than cash	GR No. Reform 1005/P.R. 9061 (1)/Energy-5 dated 05.06.2005
31/03/2016	6,288,932,733	Other than cash	GR No. Reform/2010/P.R. 117/Energy -3 dated 31.03.2016

I further report that, during the audit period there were no instances of the following:

- (i) Public issue of shares/ debentures/ sweat equity etc.
- (ii) Redemption/ buy-back of securities;
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013; and
- (iv) Foreign technical collaborations.

For A. Y. Sathe & Co.
Company Secretaries

CS Ajit Sathe
(Proprietor)

Place: Mumbai
Date: 15th December, 2016

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

ANNEXURE – I to MR-3

To,
The Members,
Maharashtra State Electricity Transmission Company Limited
Prakashganga, Plot No. C - 19,
'E' Block, Bandra Kurla Complex, Bandra (East),
Mumbai - 400051.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and 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/ will conduct the affairs of the Company.

For A. Y. Sathe & Co.
Company Secretaries

CS Ajit Sathe
(Proprietor)

Place: Mumbai
Date: 15th December, 2016

REPLIES TO THE SECRETARIAL AUDITOR REPORT FOR THE YEAR 2015-16	
Auditors Report	MSETCL's Remarks
1. The Company has only one Independent Director during 13 th May, 2015 to 24 th August, 2015, instead of minimum requirement of two Independent Directors as per the Act and consequently, the composition of Audit Committee and Nomination & Remuneration Committee is not proper;	<p>Factual</p> <p>Shri Vishwas Pathak was appointed as Independent Director w.e.f. 24.08.2015 and thereafter Committees were re-constituted.</p>
2. The Company did not have Company Secretary during 30 th May, 2015 till 21 st June, 2015 and Chief Financial Officer during financial year ended 31 st March, 2016.	<p>Factual.</p> <p>CS was appointed w.e.f. 22.06.2015.</p> <p>CFO was appointed w.e.f. 02.04.2016.</p>

For and on behalf of the Board of Directors

Place: Mumbai
Date: December 27th, 2016

Rajeev Kumar Mital
Chairman & Managing Director

Annexure VI

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U40109MH2005SGC153646
2.	Registration Date	31.05.2005
3.	Name of the Company	Maharashtra State Electricity Transmission Company Limited
4.	Category/Sub-category of the Company	Company limited by shares / State Government Company
5.	Address of the Registered office & contact details	Prakashganga, Plot No. C-19, "E" Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. 022-26595000
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not applicable

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
1.	Transmission of Power	351-Electric Power Generation, Transmission and Distribution	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name	Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	MSEB Holding Company Limited	MSEB Holding Company Hongkong bank Bldg 3 rd & 4 th Floor Mahatma Gandhi Road Fort, Mumbai- 400001	U40100 MH 2005 SGC153649	Holding	100 %	Section 2(46)

Sr. No.	Name	Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
2.	Maharashtra Transmission Communication Infrastructure Co. Limited	Prakashganga, Plot No. C-19, "E" Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	U64201MH 2012 PLC234316	Associate	49%	Section 2(6)
3.	Jaigad Power Transmission Co. Limited	JSW Centre Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	U40102MH 2008 PLC181433	Associate	26%	Section 2(6)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% 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) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	N.A.	49940	49940	99.88	N.A.	8984974673	8984974673	99.99	0.11
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	N.A.	60	60	0.22	N.A.	60	60	0.11	-
Total shareholding of Promoter (A)	N.A.	50000	50000	100%	N.A.	8984974733	8984974733	100%	NO
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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
I) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies -D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	N.A.	50000	50000	100%	N.A.	8984974733	8984974733	100%	NO

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the 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	MSEB Holding CO. Ltd.	50000	100	-	8984974733	100	-	0.11

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	49940	99.88		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): Allotment of 2,69,59,92,000 equity shares on 19.05.2015 Allotment of 6,28,89,32,733 equity shares on 31.03.2016	8984924733	99.99		
	At the end of the year	8984974673			

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

E) Shareholding of Directors and Key Managerial Personnel:

1. Shri. Rajeev Mital, Chairman & Managing Director w.e.f. 06.01.2015

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10	0.02	10	0.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	00	0.00	00	0.00
	At the end of the year	10	0.02	10	0.02

2.Shri. Mukesh Khullar, Nominee Director

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	49940	99.88	49940	99.88
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Share held in the name of PS(Energy) were transferred to MSEBHCL on 31.12.2015	49940	0.00	00	0.00
	At the end of the year	00	0.00	00	0.00

3. Shri. O.K. Yempal, Whole-Time Director (Operations)

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	00	0.00	00	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Share held in the name of Shri S.S. Shirsikar were transferred in the name of Director(Operations) on 31.12.2015	10	0.02	00	0.00
	At the end of the year	00	0.00	00	0.00

4. Shri. R.D. Chavan, Whole-Time Director (Projects)

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	00	0.00	00	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Share held in the name of Smt. R.U.Bagade were transferred in the name of Director(Projects) on 31.12.2015	10	0.02	00	0.00
	At the end of the year	00	0.00	00	0.00

5. Shri. Vinayak Sathe , Whole-Time Director (Finance)

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10	0.02	00	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	00	0.00	00	0.00
	At the end of the year	10	0.02	00	0.00

6. Ms. Vineeta Shriwani, Company Secretary

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	00	0.00	00	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	00	0.00	00	0.00
	At the end of the year	00	0.00	00	0.00

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

(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	7,44,196	412	0	7,44,608
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	10,038		0	10,038
Total (i+ii+iii)	7,54,234	412	0	7,54,646
Change in Indebtedness during the financial year				
* Addition	85,362	10,000	0	95,362
* Reduction	1,27,170	0	0	1,27,170
Net Change	-41,808	10,000	0	-31,808
Indebtedness at the end of the financial year				
I) Principal Amount	7,03,218	10,412	0	7,13,630
ii) Interest due but not paid		0	0	0
iii) Interest accrued but not due	9,208	0	0	9,208
Total (i+ii+iii)	7,12,426	10,412	0	7,22,838

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in Rs.)

SN	Particulars of Remuneration	Chairman and Managing Director	Whole Time Director		Total Amount
		Shri Rajeev Kumar Mital (01.04.2015 to 31.03.2016)	Shri O. K. Yempal (01.04.2015 to 31.03.2016)	Shri R.D. Chavan (05.05.2015 to 31.03.2016)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,89,608	24,89,475	20,54,087	61,33,170
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	3,27,072	0	3,27,072
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	
2	Stock Option				
3	Sweat Equity				

SN	Particulars of Remuneration	Chairman and Managing Director	Whole Time Director		Total Amount
		Shri Rajeev Kumar Mital (01.04.2015 to 31.03.2016)	Shri O. K. Yempal (01.04.2015 to 31.03.2016)	Shri R.D. Chavan (05.05.2015 to 31.03.2016)	
4	Commission -as % of profit others, specify...				
5	Others, please specify				
	Total(A)	15,89,608	28,16,547	20,54,087	64,60,242

B. Remuneration to other directors

(Amount in Rs.)

Sr No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors:	Smt. Pushpa Chavan Shri Vishwas Pathak				55,000
	Fee for attending board and committee meetings – Rs.5000/- per Meeting					60,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					1,10,000
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board					
	committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)					1,10,000
	Total Managerial Remuneration					1,10,000

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

(Amount in Rs.)

Sr No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS		CFO	Total
			Dr. Jyoti Arora (01.04.2015 to 30.05.2015)	Ms. Vineeta Shriwani (22.06.2015 to 31.03.2016)		
1.	Gross salary	NA			NA	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	5,79,307	10,62,663	-	16,41,970
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0	1,09,882	-	1,09,882

Sr No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS		CFO	Total
			Dr. Jyoti Arora (01.04.2015 to 30.05.2015)	Ms. Vineeta Shriwani (22.06.2015 to 31.03.2016)		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	5,55,331	0	-	5,55,331
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	others, specify...	-	-	-	-	-
	Others, please specify			-	-	
	Total	11,34,638	11,72,545			23,07,183

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	Nil				
Penalty					
Punishment					
Compounding					
B. DIRECTORS	Nil				
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	Nil				
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Rajeev Kumar Mital
Chairman & Managing Director

Place: Mumbai
Date: December 27th, 2016

Annexure VII

Annual Report on Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder. The Company has framed Corporate Social Responsibility (CSR) policy duly approved by the Board of Directors.

The policy was approved on 03.12.2015. As the policy was adopted in F.Y. 2015-16, Company has made provisions of `3300 lakhs for the previous years.

The CSR Policy of the Company was approved by the Board of Directors in its 104th meeting held on 03.12.2015. The Policy is available on company's website <http://www.mahatransco.in/wps/wcm/connect/0d07d4004c1637f89db3fd0804186c66/CSR+policy+of+MSETCL+%28English%29.pdf?MOD=AJPERES&CACHEID=0d07d4004c1637f89db3fd0804186c66>

The aims & objectives of this Policy are as under:

- 1.1 Improving socio-economic status of Persons who are residing in adjoining areas of Stations and Sub-stations of MSETCL.
- 1.2 Providing opportunities for sustainable improvement in the fields of income generation, skill development, health, education and such other fields.
- 1.3 To adopt a holistic approach to community development of Project Affected Areas and ensuring that the people of such areas improve or at least regain their previous standards of living.
- 1.4 Carrying out community development activities in a transparent and participative manner.
- 1.5 Ensuring participation and consultation with the local public representatives and setting up of institutional mechanisms for carrying out CSR activities in Project Affected Areas and Power station area.
- 1.6 Integrated growth of all stakeholders (Corporate & Society - communities, employees, consumers, environment, and all other members of the public sphere);
- 1.7 To minimize the difference of opinion between society and company through concentrating public issues under CSR;
- 1.8 To create a sensitivity between corporate & society toward social development and consider CSR as responsibility not charity to develop trust and cooperation within the wider stakeholder community;
- 1.9 High standard of authenticity, responsibility and accountability toward all stakeholders including employee, community, consumers, government etc.;
- 1.10 Promote Socio-economic development through community development initiatives;
- 1.11 To bring an attitudinal change in MSETCL employee and society about the idea/perception of CSR;
- 1.12 The policy will create a frame work, procedure for assessment, implementation and monitoring of any activity under CSR.

1.13 The policy will cover up the work of similar nature and purpose in relation of sister concern companies like Genco and Discom as they are supporting the business activities of MSETCL.

Funding of CSR activities:

The Corporation will be required to spend annually at least two percent of the average net profit made during the three immediately preceding financial years on CSR Policy.

The composition of the CSR Committee.

- Chairman & Managing Director
- Director (Finance)
- Director (Project)
- Independent Director-Finance Expert

Details of CSR Fund for the F.Y. 2015-16:

(Amt in Rs. crores)

Average Net Profit of the company for last three financial years	CSR Expenditure (2% of Average Net Profit).		CSR funds spent during the year	Projects in which funds have been spent	Amount unspent, if any	Reason for not spending
	14-15	15-16				
2226	33	45	NIL	N.A.	N.A.	CSR Policy of MSETCL was finalized in December-2015. Thereafter projects were identified and approved by the CSR Committee in June 2016. Actual utilization of CSR Funds have been started in F.Y. 2016-17.

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: December 27th, 2016

Rajeev Kumar Mital
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

I. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Maharashtra State Electricity Transmission Company Limited**, which comprises of the Balance Sheet as at **31st March 2016**, the Statement of Profit & Loss, Cash Flow Statement for the year then ended, and the summary of significant accounting policies and other explanatory information.

II. 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditor's Responsibility

Our responsibility is to express opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the standalone financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis of our audit opinion.

IV. Basis for Qualified Opinion

1. The Assets and Liabilities of the company contain balances transferred under the 'Transfer Scheme' notified as on 4th June, 2005 by the Maharashtra Electricity Reforms Transfer Scheme 2005. Industries, Energy & Labour department vide their notification dated 31/03/2016 further notified 'Maharashtra Electricity Reforms Transfer (First Amendment) Scheme, 2016 which carried instructions for enhancing the value of Net Fixed Assets so transferred to the company as on 05/06/2005 by Rs. 6,28,893.27 Lakhs.

Such retrospective enhancement in the value of Net Fixed Assets has resulted into one time extra depreciation of Rs. 4,65,379.36 Lakhs being charged during the current financial year for which no specific accounting policy has been adopted by the company.

Attention is also drawn to Note no. 1(a) wherein the company has disclosed the facts of having charged such one time extra depreciation of Rs. 4,65,379.36 Lakhs as per the above mentioned notification. The same has resulted into decrease in profit to that extent.

2. Balances of account heads namely (i) Sundry Debtors, (ii) Sundry Creditors, (iii) Obsolete Material Stock (including scrap), (iv) Loss due to Material pending investigation, (v) Assets Under Construction, (vi) Adv to Contractor/supplier, (vii) Capital Adv for Projects, (viii) Miscellaneous Loans & Advances, (ix) Expense Recoverable from Vendors, (x) Provision for Capital Work, (xi) Security Deposit Job Work, (xii) MSEB Holding Company Ltd and its fellow subsidiaries & (xiii) Provision for Expenses (accounted for under GL Code 150030 & 150040) are subject to confirmations and adjustments necessary upon reconciliation. The effect of the adjustments arising from reconciliation and settlement of old dues and possible loss that may arise on account of non recovery or partial recovery of such dues is not ascertained.

V. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for effects of the matters described in the 'Basis of Qualified Opinion' paragraph, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March 2016
- b) In the case of Statement of Profit & Loss, of the Loss for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

VI. Report on the Legal and Regulatory requirements

As required by the 'Directions and sub directions' issued by office of the Principal Accountant General-III, Maharashtra vide their 'Letter' of even date in terms of section 143(5) of the Act, we give in the Annexure A- statement on the directions and sub- directions as specified in the 'Letter'. As required by the Companies (Auditor's Report) Order, 2016 (The Order), as amended, issued by the Central Government of India in terms of section of 143(11) of the Act, we give in the Annexure B- statement on the matters specified in paragraphs 3 and 4 of the Order.

VII. As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the accounting standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

- f. In our opinion, considering nature of business, size of operation and organizational structure of the entity, 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 March 31, 2016, based on 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
- g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position—Refer note 53 to the standalone financial statements.
 - ii. The Company has made provisions as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivative contracts.
 - iii. The company was not required to transfer any amount during the year to investor education and protection fund in accordance with the relevant provision of the Companies Act and rules made there under.

For Jain Chowdhary & Co.

Chartered Accountants

FR No. 113267W

Siddharth Jain

Partner

M. No. 104709

Date : 29th September, 2016

Place : Mumbai

“Annexure A” to INDEPENDENT AUDITOR’S REPORT**(Referred to in Paragraph of our Report of even date)****'Directions and sub-directions' issued by the by office of the Principal Accountant General-III, Maharashtra vide their 'Letter' of even date in terms of section 143(5) of the Act****Directions under sub-section (5) of section 143 of the Companies Act, 2013**

- 1. To report whether there are any cases of waiver/ write off of debts/loans/interest etc. if yes, the reasons thereof, and the amount involved.**

It may be noted that total trade receivables of the company as per Note No. 18 are Rs. 2,59,263.30 Lakhs as at 31/03/2016 (Previous Year Rs. 2,98,293.91 Lakhs as at 31/03/2015) and major portion of the same is against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL). Receivables from MSEDCL are against two parts:-

- (a) Transmission charges approximately being Rs. 2,32,605.75 Lakhs as at 31/03/2016 (Previous Year Rs. 2,33,747 Lakhs as at 31.03.2015) which the company recovers through STU. The said amount recoverable from MSEDCL is considered good and no provision for Bad Debts has been made against such outstanding dues. Dues from MSEDCL are received in parts but on a regular basis.
- (b) Dues recoverable on account of IUT (Inter Unit Transactions) which are Rs. 19,726.39 Lakhs as at 31/03/2016 (Previous Year Rs. 19,697 Lakhs as at 31.03.2015). The said IUT balances cannot be written off until it is fully reconciled.

Thereby total amount recoverable against MSEDCL accounts for 97.33% (Previous Year 85% as at 31/03/2015) of the total debtors of the company.

It was observed that company follows the practice of deducting “Liquidated Damages (LD)” from payments made to contractors / vendors for non fulfillment/ non compliance with either scheduled date of delivery or other terms and conditions of contract. The said amount of LD gets accounted for under 'Other Non Current Liabilities – Deposits' in Liability side of Balance Sheet. A portion of such LD retained gets accounted for as income and the balance gets refunded back to the respective vendor / contractor, as the case may be, after final billing. Total amount of such LD getting reflected under liability side of balance sheet was Rs. 6,788.42 Lakhs (GL Code 123110) as at 31.03.2016 (Previous Year Rs. 4,981.57 Lakhs as at 31.03.2015) whereas the amount of LD getting booked as income was only Rs. 479.58 Lakhs (GL 380060) as at 31/03/2016 (Previous Year Rs. 72.09 Lakhs as at 31.03.2015). The company vide its accounting policy stated at Para 2(I)(iv) of Notes forming part of Financial statements has clarified that such LD charges gets accounted for under “Other Income” upon 'realization basis' only.

As per the information available on record, invoices have been raised by STU on distribution licencees for claiming 'Delayed payment charges' (DPC). The total share of MSETCL of the DPC amount as at 31.03.2016 was Rs. 83,495.25 Lakhs (Previous Year as at 31.03.2015 was Rs. 48,422.05 Lakhs) which has not been considered as income for the F.Y. 2015-16 as per the significant accounting policy of the company disclosed at Para 2 (I) (ii) read along with Notes to Accounts No. 56 (e) “Other Notes” to Balance Sheet.

The amount receivable by the Company including the advances given to the suppliers/ sub contractors by the Company were found critically analyzed/ reviewed on regular basis. With respect to other outstanding debtors (for expenses) of the company, provision for 'Doubtful Debts' for Rs. NIL (Previous year 2014-15 Rs. 149.11 Lakhs) has been made by the company as at 31.03.2016.

During the course of audit and as per information and explanations given to us, there were no other cases/ instances of waiver/ write off of any loans/debts/interest being given by the company during F.Y. 2015-16.

2. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.

As per information and explanations provided to us by the Management of the Company, there were no inventories or items of stores & spares lying with third parties at any time during the year under audit.

Further, no assets have been received as gift from Government or other agencies by the Company during F.Y. 2015-16.

3. A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

The Operations of the company are spread all across the state of Maharashtra and for operational convenience, the working of the company has been divided into 7 Zones.

Details of all pending/arbitration cases, individually more than Rs. 10.00 Lakhs, have been duly disclosed in Notes to Accounts under the head "Contingent Liability" for F.Y. 2015-16 at Note No. 53 to Balance Sheet.

In addition to above, there are 40 number of small pending legal/arbitration cases individually less than Rs. 10.00 Lakhs which are also of 'Contingent' nature.

Legal expenses as and when incurred are accounted for on mercantile basis and are separately shown as "Legal and Professional Fees" under the head 'Other Expenses' in Note No. 29 (I) of Profit & Loss Account. The total legal expenses incurred during the year amounts to Rs. 979.17 Lakhs (F.Y. 2014-15 Rs 632.55 Lakhs).

The legal expenses were found sanctioned, paid and accounted for in routine manner as in the case of other administrative expenses.

4. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined, including the mode and present stage of disinvestment process.

The company has not been selected for 'Disinvestment' purpose. Hence, the information sought is Not Applicable to the company.

Sub-directions under sub-section (5) of section 143 of the Companies Act, 2013

(I) Whether there is appropriate classification of Inventory with value such as Scrap, Obsolete Material etc.

It has been observed during the course of audit that there exists an appropriate system for classification of Inventory in the company. The details of GL Codes used along with their outstanding balance as at 31/03/2016 for accounting various types of Inventory under SAP are as under:

GL Codes	Description of Inventory	O/s bal as at 31/03/2016 (Amt. in Rs. Lakhs)
250010	Steel	1,146.27
250020	Cement	-
250030	Transformers	6,398.75
250040	Metering Equipment & substation Equipment	7,827.17
250050	Cables & Conductors	8,235.62
250060	Poles	-
250070	Service Connection Material & Electrical Fittings	-
250080	Spares	880.55
250090	Others	2,712.75
255010	Material Pending Investigation	7.10
255020	Loss due to Material pending investigation	202.91
255030	Spl GL stores Inventory Diff	-
255040	MASA Stock rectification	249.20
256010	Obsolete Material Stock (including scrap)	174.44
256020	Damaged/ Rejected Material	-

During the course of audit it was duly observed and verified that accounting for inventory was made in a proper manner except:

- a) GL Code: 256010- Obsolete Material- wherein it was observed that unreconciled balances are getting reflected for past many years. It has been given to understand that such unreconciled old balances getting reflected in the said GL account were mainly on account of price variations of different inventory items which have already been issued from the respective stores. In our opinion, the nomenclature of the account i.e. 'Obsolete Material' is factually incorrect and gives a wrong understanding of the adjustments made at a later date due to price variations of inventory items. Further, the said GL code also has 'negative balances' (i.e. credit balance) outstanding in many profit centers.

- b) GL Code 255020 / 150070- Loss due to Material pending investigation- wherein old balances are outstanding in the books since many years.
- c) GL Code 255040 – MASA Stock Rectification - wherein it was observed that unreconciled balances are getting reflected for past many years.

It is emphasized that company should either reconcile or write off balances in the above mentioned GL codes at the earliest.

(II) Negative balances under “Advances to Contract” may be analyzed and commented with reasons and impact on financial statements.

The company is in the business of transmission of power across the state of Maharashtra. To undertake such transmission work, the company has to construct sub stations, install transformers & transmission lines and execute all other related contractual / construction activities. In order to achieve such objective the company has a well documented and established “Contract Management System”. All contractors / suppliers/ vendors having business relations with the company have been allotted a unique 'Vendor Code' which in turn serves the purpose of individual vendor identification in SAP.

The company has accounted for all such advances given to its contractors/ suppliers/ vendors under following GL Codes:

(Amt in Rs. Lakhs)

GL Code	Description	Opening Balance as at 01/04/2015	Addition/ Clearance / adjustment during the year	Closing Balance as at 31/03/16
290010	Adv to Contractor/ supplier	10,858.81	-8,499.74	2,359.07
290020	Capital Adv for Projects	7,592.20	-767.63	6,824.57

The data of all registered vendors, whose balances appear in either of the two GL Codes given in the table above, were individually verified so as to identify the cases (vendors) which were having 'Negative Balances' as at 31/03/16. Details of all such vendors are given as under:

Particulars	In Numbers
Vendors / Contractors wherein opening amount & closing amount had positive balance (i.e. debit balance) i.e. advances were continuing	212
Vendors / Contractors wherein opening amount had debit balance & closing amount had become NIL i.e. advances were squared off	39
Vendors / Contractors wherein opening amount had debit balance but closing amount had credit balance (i.e. adverse balance)	13 (Cr. bal of Rs. 1,054.25 Lakhs as at 31.03.2016)
Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)	70 (Cr. bal of Rs. 4,822.14 Lakhs as at 31.03.2016)

From analysis of the data mentioned herein above, it can be observed that the overall advances given by the company as at 31.03.2016 do not have 'Adverse / Negative Balance'. However, there are 83 individual instances / cases which had outstanding negative balance i.e, credit balance as on 31.03.2016.

It has been informed that discrepancies in such 83 individual advances may be due to (i) wrong allocation of GL Codes or (ii) shifting of data in the system at the time of implementation of SAP (i.e. Legacy data) for which the reconciliation process has been initiated.

(III) Whether Profit / Loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company?

The Independent Auditor's Report vide its Para VII (c) specifically states that "The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account."

(IV) Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.

The company is having adequate infrastructure –which includes 633 no. of sub-stations, transformers, and transmission lines for making transmission of the `power so generated by the generation companies operating in the state of Maharashtra.

Information relating to the transmission network of the company is given in the table below:

Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
765 KV	1	1500	0.00
500KV HVDC	2	3582	1504.00
400KV	28	23395	8224.96
220KV	211	49748	16325.85
132KV	306	26779	14553.91
110KV	36	2280	1736.63
100KV	38	2678	700.66
66KV	11	853	684.00
Total	633	110815	43730.00

Present transmission system availability and losses as against MERC benchmark are narrated as under:

HVAC System (MERC Benchmark 98%)		
Year	2014-15	2015-16
Availability	99.73%	99.72%
HVDC System (MERC Benchmark 95%)		
Year	2014-15	2015-16
Availability	97.96%	94.53%

It is a constant and ongoing endeavor of the company to improve, strengthen and further augment its infrastructural capacities so as to cope with ever increasing futuristic needs of power.

(V) How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?

The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the F.Y. 2015-16 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:

Intra State Transmission System (In. STS) Grid Loss for F.Y. 15-16			
Month	Energy Input Intra STS (In Million Units)	Energy Output Intra STS (In Million Units)	Transmission Loss (in % age)
Apr-15	11979.66	11486.13	4.12
May-15	12678.62	12186.92	3.88
Jun-15	10940.52	10498.43	4.04
Jul-15	11985.82	11533.17	3.78
Aug-15	11529.16	11061.04	4.06
Sep-15	11244.54	10802.28	3.93
Oct-15	12932.72	12407.68	4.06
Nov-15	11825.32	11386.25	3.71
Dec-15	11719.00	11298.24	3.59
Jan-16	11348.28	10909.26	3.87
Feb-16	11135.60	10716.83	3.76
Mar-16	12447.00	11929.10	4.16
Total	141766.247	136215.337	3.92

From perusal of the table above, it is evident that Transmission Loss incurred by MSETCL for was 3.92% which is well below the MERC's bench mark. In other words, the said loss in accounting parlance will be termed as "Normal Loss" and will not require any separate accounting in the books of accounts. It has been verified that company has duly accounted for the energy so transmitted by it during the year under audit.

(VI) Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.

The Company has divided its field operations amongst seven different zones in the state of Maharashtra. The major activity of the company is 'transmission of power'. Company also undertakes construction of small sub-stations, towers, plants etc., on behalf of other agencies on 'order specific basis'. Such works are identified in the company as 'ORC works'. The company charges 'Supervision Fees' over and above the expenditure incurred for executing such "ORC Work" which gets recognized as company's income.

As per information made available by the company, details of ORC works across its different zones are given in the table below:-

Sr. No.	Zones	ORC works as at 01.04.15	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.16
1	Amravati	1	-	-	1
2	Aurangabad	14	-	2	12
3	Karad	6	-	-	6
4	Nagpur	25	11	7	29
5	Nasik	10	-	-	10
6	Pune	45	-	-	45
7	Vashi	28	18	5	41
	Total	129	29	14	144

"Supervision Charges" accounted during F.Y. 2015-16 on ORC Works were of Rs. 1601 Lakhs.

For Jain Chowdhary & Co.
 Chartered Accountants
 FR No. 113267W

Siddharth Jain
 Partner
 M. No. 104709

Date: 29th Sep. 2016
Place: Mumbai

“Annexure B” to INDEPENDENT AUDITOR’S REPORT
(Referred to in Paragraph of our Report of even date)

I. In respect of its fixed assets:

- a) The records/ledgers relating to fixed assets of the Company (including their quantitative detail and situation) are not updated and cannot be reconciled with the financial ledgers, as such fixed assets records/ledgers are not maintained properly.
- b) The management has not undertaken physical verification of the Company's fixed assets during the year. In the absence of such record and verification we are unable to state whether there are any material discrepancies.
- c) The records relating to immovable properties as reflected in the financial statements (i.e. Land Title, Lease Deed, 7/12 extract etc.) are not maintained properly or updated and the same are not reconciled with the financial statements as at 31/03/2016. In absence of complete records we are unable to state whether all such immovable properties are in the name of the Company.

II. The Company had chalked out an annual stock verification program for the F.Y. 2015-16 and inspection/valuation of stocks lying with company was found duly carried out by the Company during the year as per the said program.

The Company had chalked out an annual stock verification program for the F.Y. 2015-16 and inspection/valuation of stocks lying with company was found duly carried out by the Company during the year as per the said program.

In our opinion, the procedure of physical verification of inventory followed by the management is adequate in relation to size of the Company and the nature of its business.

On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were not material in relation to the operations of the company.

III. As per the information furnished, the company has neither taken nor granted any loans to / from companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 hence reporting under the clause (III) - (a) to (c) of The Order is not applicable to the Company and hence not commented upon.

IV. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

V. During the year, the company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not apply.

VI. The Central Government has prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013 in respect of transmission of electricity. We have broadly reviewed such relevant records of the Company and in our opinion and according to the information and explanation given to us, prima facie the Company has made and maintained the prescribed records. We have not, however, carried out a detailed examination of the records with a view to determine whether they are accurate or complete.

VII. In respect of applicable statutory dues:

- a) According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- b) According to the records of the Company, details of dues of Sales Tax, Income-Tax, Wealth Tax, Excise Duty, Service Tax, Cess and Customs Duty, Value added Tax, which have not been deposited as on 31st March, 2016 on account of any dispute are given below:-

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where the matter is pending	Amount (Rs. Crores)
Employee State Insurance	Various Years from F.Y. 1968 -1996	Employee State Insurance Court, Pune	0.22
Income Tax- FBT	A.Y. 2006-07	ACIT	0.18
Income Tax	A.Y. 2008-09	ACIT	3.28
Income Tax	A.Y. 2009-10	CIT (Appeal)	190.01
Income Tax	A.Y. 2010-11	ITAT	35.19
Income Tax	A.Y. 2012-13	CIT (Appeal)	3.11

VIII In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institutions and banks. The Company has not borrowed any sum through debentures.

IX Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). The Term loans raised during the year have prima facie been applied for the purpose for which they were raised.

X During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- XI** Based upon the audit procedure performed and the information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- XII** The Company is not a Nidhi company, therefore, the provision of clause 3 (xii) of The Order is not applicable to the Company.
- XIII** In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV** Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of shares as reported in the table below:

No. of equity shares allotted and Date	Nominal Shares Price per share	Total share price per share	Basis of allotment
2695992000 shares on 19.05.2015	Rs. 10	2695,99,20,000	As per directives given in Maharashtra State Electricity Reforms Transfer Scheme, 2005 issued on 04.05.2005 & Pursuant to approval given at 100 th meeting of BOD held on 19.05.2015.
6288932733 shares on 31.03.2016	Rs. 10	6288,93,27,330	As per directives given in Maharashtra Electricity Reforms Transfer (First Amendment) Scheme, 2016 issued on 31.03.2016.

All requirement of section 42 of the Co.'s Act, 2013 have been complied with by the Co. Both the allotment of shares were made on preferential basis to MSEB Holding Co.Ltd. for consideration other than cash.

- XV** Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non cash transactions with the Directors or persons connected with him. According, the provision of clause 3(XV) of The Order is not applicable to the Company and hence not commented upon.
- XVI** In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of The Order is not applicable to the Company.

For Jain Chowdhary & Co.
 Chartered Accountants
 FR No. 113267W

Siddharth Jain
 Partner
 M. No. 104709

Date: 29th Sep. 2016
Place: Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2016

Sr. No	Particulars	Note No.	As At 31-03-2016 (Rs. In Lakhs)	As At 31-03-2015 (Rs. In Lakhs)
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	3	898,497.47	5.00
	(b) Reserves and Surplus	4	169,957.44	579,073.60
2	Share Application Money Pending Allotment			269,599.20
3	Non-Current Liabilities			
	(a) Long-term borrowings	5	612,670.09	652,915.59
	(b) Deferred tax liabilities (Net)	6	151,753.35	138,669.71
	(c) Other non-current liabilities	7	141,279.55	140,936.64
	(d) Long term provisions	8	75,578.02	76,355.53
4	Current Liabilities			
	(a) Short-term borrowings	9	10,000.00	-
	(b) Trade payables	10	30,737.92	44,247.33
	(c) Other current liabilities	11	172,011.38	181,025.75
	(d) Short-term provisions	12	-	8,873.16
	Total		2,262,485.22	2,091,701.52
II	ASSETS			
1	Non-current assets			
	(a) <i>Fixed assets</i>			
	(i) Tangible assets	13(a)	1,539,303.34	1,254,297.53
	(ii) Intangible assets	13(a)	569.95	788.29
	(iii) Capital work-in-progress	13(b)	316,568.42	402,315.10
	Assets Not in Use		4,407.07	4,544.18
	(b) Non-current investments	14	48,632.53	46,844.87
	(c) Long term loans and advances	15	8,868.34	9,754.88
	(d) Other non-current assets	16	0.58	210.56
2	Current assets			
	(a) Inventories	17	27,450.27	29,841.08
	(b) Trade receivables	18	259,263.30	298,293.91
	(c) Cash and cash equivalents	19	3,043.61	2,007.03
	(d) Current Investments	20	8,217.52	7,587.65
	(e) Short-term loans and advances	21	5,277.54	15,289.70
	(f) Other current assets	22	40,882.74	19,926.75
	Total		2,262,485.22	2,091,701.52

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements.

As per our report attached
For Jain Chowdhary & Co.
 Chartered Accountants
 ICAI FR No. 113267W

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Siddharth Jain
 Partner
 M. No 104709

Sd/-
Santosh J Amberkar
 CGM (F&A)

Sd/-
Omprakash K Yempal
 Director (Operations)

Sd/-
Vinayak Sathe
 Director(Finance)

Sd/-
Rajeev Kumar Mital
 Chairman & Managing Director

Sd/-
Ravindra D Chavan
 Director (Projects)

Sd/-
Vineeta Shriwani
 Company Secretary

Place : Mumbai
 Date : 27th Sept. 2016

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31ST, 2016

Sr. No.	Particulars	Note No.	2015-16 (Rs. In Lakhs)	2014-15 (Rs. In Lakhs)
	INCOME			
I	Revenue from operations	23	331,484.94	516,745.45
	Less: Excise Duty		0.00	0.00
	Revenue from operations (Net)		331,484.94	516,745.45
II	Other Operating Revenue	24	383.63	1,446.48
III	Other Income	25	25,082.40	25,006.52
	Total Revenue		356,950.98	543,198.45
	EXPENSES			
IV	(a) Repair & Maintenance Expenses	26	18,712.32	21,501.14
	(b) Employee Benefit Expense	27	91,071.15	86,189.73
	(c) Finance costs	28	65,811.74	68,674.59
	(d) Depreciation and amortization expense	13	86,116.86	78,508.14
	(e) Other expenses	29	28,525.23	24,325.79
	Total Expenses		290,237.31	279,199.39
V	Profit before Exceptional Items, Extraordinary Items and Tax		66,713.67	263,999.07
VI	Exceptional Items			
	Prior Period Expenses/(Income)	30	9,542.08	4,010.81
VII	Profit before Extraordinary Items and Tax		57,171.59	259,988.25
VIII	Extraordinary Items			
	Depreciation due to FRP Scheme	1(a)	465,379.36	0.00
IX	Profit Before Tax		(408,207.77)	259,988.25
X	Tax Expense	31		
	(a) Current Tax		4,287.71	69,207.12
	(b) Deferred Tax		13,083.64	14,383.00
XI	Profit for the period from continuing operations		(425,579.12)	176,398.13
XII	Profit/(Loss) from discontinuing operations		0.00	0.00
XIII	Tax expense of discounting operations		0.00	0.00
XIV	Profit/(Loss) from Discontinuing operations after Tax		0.00	0.00
XV	Profit/(Loss) for the period		(425,579.12)	176,398.13
XVI	Earning per equity share of Rs. 10 each			
	(a) Basic (Amount in Rs.)		0.00	352,796
	(b) Diluted (Amount in Rs.)		0.00	6.54

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements.

As per our report attached
For Jain Chowdhary & Co.
 Chartered Accountants
 ICAI FR No. 113267W

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Siddharth Jain
 Partner
 M. No 104709

Sd/-
Santosh J Amberkar
 CGM (F&A)

Sd/-
Omprakash K Yempal
 Director (Operations)

Sd/-
Vinayak Sathe
 Director(Finance)

Sd/-
Rajeev Kumar Mital
 Chairman & Managing Director

Sd/-
Ravindra D Chavan
 Director (Projects)

Sd/-
Vineeta Shriwani
 Company Secretary

Place : Mumbai
 Date : 27th Sept. 2016

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2016

Sr. No.	Particulars	2015-16 Rs. In Lakhs		2014-15 Rs. In Lakhs	
1	Net Profit before tax after prior period items		(408,208)		259,988
	Add/(Less) : Adjustments				
	Depreciation *	551,496.22		78,508.14	
	Interest and finance charges	83,389.46		87,843.14	
	(Increase) / Decrease in Current Assets	24,202.00		(61,531.04)	
	(Decrease) in Current Liabilities	(26,977.25)		(3,056.92)	
		632,110.65		101,763.32	
	Add/(Less): Income Tax for earlier years	16,462.96		0.00	
	Income Tax Paid	(2,400.00)	646,173.61	(50,072.00)	51,691.32
2	Cash flow from Operating Activities		237,965.84		311,679.58
3	Cash flow from Investing Activities				
	(Increase) in Fixed Assets (FRP) *	(628,893.27)		0.00	
	Capital Expenditure	(121,506.65)		(137,971.30)	
	(Increase) in Investment	(1,787.66)		(9,643.46)	
			(752,187.58)		(147,614.76)
4	Cash flow from Financing Activities				
	Increase in Equity Share Capital (FRP) *	628,893.27		0.00	
	(Decrease) in Loans	(30,245.50)		(77,168.14)	
	Interest and finance charges	(83,389.46)		(87,843.14)	
			515,258.31		(165,011.28)
5	Net Increase/(Decrease) in Cash Flow		1,036.58		(946.46)
6	Opening Cash and Cash equivalents		2,007.03		2,953.50
7	Closing Cash and Cash equivalents		3,043.61		2,007.03

Note: Summary of Cash & Cash Equivalents

Cash and Cash equivalents include	2015-16		2014-15	
(1) Cash and Stamps on hand		14.75		19.87
(2) Cheque in hand		0.00		0.00
(3) Cash in Transit		0.00		0.00
(4) Bank balances				
(a) with Scheduled banks		3,028.86		1,987.17
Total		3,043.61		2,007.03

***Refer Note No. - 1(a) of Notes to Accounts.**

As per our report attached
For Jain Chowdhary & Co.
 Chartered Accountants
 ICAI FR No. 113267W

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Siddharth Jain
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 Chairman & Managing Director

Sd/-
Ravindra D Chavan
 Director (Projects)

Sd/-
Vineeta Shriwani
 Company Secretary

Place : Mumbai
 Date : 27th Sept. 2016

Notes to the Financial Statements for year ended 31st March 2016

1 Background:

- a) *In pursuance with GOM GR dt.07.06.2005 and 31.03.2016, the assets of the erstwhile MSEB, on the date of Transfer, are to be increased and the increase assets are to be transferred to the successor companies at their Fair Market Values. The increase of assets of the erstwhile MSEB at Fair Market Value, as on the date of Transfer, was done in the Financial Year 2006. As per GR the impact of valuation of MSETCL's Fixed Assets is Rs. 10,792.89 crores (Sch I of the said GOM resolution) as against the book value of Rs.4,504 Crs.(referred in table at clause 3 of the said GOM resolution).

The Equity to the extent of Rs. 6,288.93 crs being differential asset value is issued to MSEB Holding Co. Ltd.

- Thus, the following effects are given in financial accounts of Company in F.Y. 2015-16 –
 - i) To allocate the reassessed value of fixed assets of erstwhile MSEB pertaining to MSETCL on the date of transfer i.e. 05.06.2005 as refereed in the GOM resolution, to the assets of MSETCL as maintained in SAP (asset wise/ division wise/ circle wise).
 - ii) Total addition to Gross block is Rs. 6,288.93 crs.
 - iii) Equity is increase by Rs. 6,288.93 crs.
 - iv) The accumulated depreciation from 05.06.2005 to 31.03.2015 arrived at Rs. 4,518.05 crores. The depreciation for the period 01.04.2015 to 31.03.2016 is worked out to be Rs. 135.74 crs.
 - v) Total depreciation booked as extra ordinary items in P&L is Rs. 4,653.79

The following methodology is adopted -

- As the value to be apportioned asset wise, for simplicity, the asset no. wise data(Gross Block) as on 31.03.2011 in the ERP were extracted and filtering this data of the asset on the basis of the capitalization date of which is 05.06.2005 or before. As per this back working from 2011 to 2005, the gross block of assets as on 05.06.2005 was arrived. Apportionment of additional amount will be done by creating sub asset to main asset identified(Rs. 6,288.93 crs.). New cost center will be created for reassessed value so as to identify the asset in future and to identify the depreciation posted on such asset.

- Then the assets which was in existence as on 05.06.2005 and also as on 31.03.2016 was filtered out for calculating depreciation on it. For calculating the accumulated depreciation on such asset from 05.06.2005 to 31.03.2015, the proportion of the asset to its accumulated depreciation as on 31.03.2015 was taken as base. On the basis of that proportion, the accumulated depreciation working was done in the excels sheet and uploaded in system asset wise.

- Secondly, the extract of the assets of MSETCL as per ERP as on 31.03.2016 was extracted. The comparison was made with the assets as on 31.03.2016 and 05.06.2005 and the assets which was in existence as on 05.06.2005 but not appeared in the list of 31.03.2016 was filtered out as list of assets scrapped during 05.06.2005 to 31.03.2016 amounting to Rs. 37.70 crores .

- The accumulated depreciation from 05.06.2005 to 31.03.2015 arrived at Rs. 4,518.05 crores. The depreciation for the period 01.04.2015 to 31.03.2016 is worked out to be Rs. 135.74 crs.

- If accumulated depreciation value is reached 90% up to 31.12.2015 of the gross block then reassessed value is also depreciated till 90%.

• **Impact on Tariff :-**

As per the MSEB Holding Company Ltd. letter no. MSEBHCL/FRP/269 DT. 07.07.2015, according to Regulation 27.9 of MYT regulation Act2011, revaluation of asset shall be permitted during the control period. So though ROE would increase due to increase in Equity on account of increase in value of asset, MERC would not allow to claim ROE on increased equity arising out of increased value of assets. So there would not be any adverse impact on issuing equity to GOM

Secondly, Depreciation will not be considered for tariff on the same lines. Considering this, there will not be any adverse impact on tariff as increase in equity capital arising out of FRP shall not be construed to be equity for the purpose of ROE.

- b) Fraction of Rs. 455/- was remained to be paid to MSEB HCL after preferential allotment of equity shares. The said approval to refund was accorded on 28/04/2016. Therefore Rs. 455/- is shown as payable to MSEB HCL during F.Y. 2015-16 and same is paid in F.Y. 2016-17

2 Statement of Significant Accounting Policies:

2 a) Basis of preparation of financial statements:

The Company is a Public Limited Company registered under the Companies Act, 1956. The Company is 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 the Companies Act, 2013 in terms of section 174 of the Electricity Act, 2003.

The financial statements have been prepared on the basis of going concern concept and under the historical cost convention. The Company adopts accrual basis in preparation of its accounts to comply in all material aspects with Generally Accepted Accounting Principles (GAAP) and the accounting standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

Assets and liabilities created under applicable electricity laws continue to be depicted under appropriate heads.

2 b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and the liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Differences between actual results and estimates are recognized in the period in which results are known / materialized.

2 c) Fixed Assets and Capital Work In Progress:

- i) Fixed assets of the company are recorded in the books of accounts and disclosed in annual accounts historical cost. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation.
- ii) Cost of acquisition is inclusive of freight, duties and taxes, levies, borrowing costs in case of qualifying assets & all incidental costs attributable to bring the assets to its working condition.
- iii) In case of assets constructed by construction division of the Company, all costs incurred by the said division including employee, administration cost and depreciation on general assets which are used in construction division are capitalized.
- iv) Capital Expenditure incurred by the company, resulting in creation of fixed assets for which company does not have ownership rights is reflected as a distinct item.
- v) In case of Capital Work in Progress for work against deposits / work contract where the final settlement of bills with the contractor is yet being effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.
- vi) Claims for price variation in case of capital contracts are accounted for on acceptance thereof by the Company.

- vii) The total cost incurred by the company at project and planning units for the period are apportioned to respective Capital Work-in-progress accounts on the basis of accretions thereto.
- viii) Costs incurred on identification, survey and feasibility studies of a project under sanction scheme are shown as a distinct item in 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 revenue in the year of rejection. In case where the scheme is not identified at the end of the year, such expenses are shown under the head "Miscellaneous Expenditure not written off"
- ix) Fixed Assets costing individually up to Rs.5,000/- are written off to Profit & Loss Account.
- x) Intangible Assets are capitalized at cost if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of these assets can be measured reliably.
- xi) Fixed assets are shown in the books of accounts net of any government grants / consumers contribution subsidies received in respect of those fixed assets.
- xii) Assets not in use includes 10% residual value of assets for which 90% depreciation has already been charged.
- xiii) Expenditure incurred on Renovation or Modernization of Fixed Assets / Life Extension scheme (LES) is capitalized where both the following conditions are fulfilled viz;
 - (a) Such expenditure results in creation of new asset or replacement of major component or efficiency equivalent to that of the existing asset;
 - (b) The cost of the replaced asset is removed from the Gross block along with its accumulated depreciation on the estimated cost basis.

2 d) Government Grant and Subsidy:

Government grants/Subsidies related to specific fixed asset are deducted from gross value of such fixed asset. Government Grants/Subsidies received in respect of incomplete Projects are retained in Non-Current Liabilities till such Fixed assets are capitalized. On capitalization of such fixed assets, the relevant Government Grant/Subsidy is deducted against the specific fixed assets in respect of which it is received.

2 e) Borrowing Costs:

Borrowing costs (excluding other ancillary cost) that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for its intended use or sale. Borrowing costs which are for other than qualifying capital asset are recognized as expenses in the period in which they are incurred.

2 f) Impairment of Assets:

The Company, at the Balance Sheet date, assesses individual fixed assets and groups of assets constituting 'Cash Generating Units' (CGU) for impairment, if circumstances indicate a possibility or warrant such assessment, provision is made for impairment of state of assets or CGU if carrying cost is higher than recoverable amount as at the Balance Sheet date.

2 g) Depreciation / Amortization:

i) Tangible Assets:-

The Company provides depreciation on straight line method to the extent of 90% of the cost of asset following the rates notified by the Maharashtra Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2011. Depreciation on additions/deletions of assets is provided on pro-rata basis from/up to the month in which the asset is available for use/disposal.

ii) Intangible Assets:

Leasehold land is amortized over the period of lease.

Since the Maharashtra Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2011 is silent about the applicable rate of depreciation for Computer Software, the Company provides depreciation on Straight Line Method after considering an estimated useful life of 4 years.

iii) 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 Network etc.	5.28%
Furniture, Fixtures and Office Equipments	5.28% to 15%
Vehicles	6.33%
Intangible Assets	
Computer Software	25.00%

2 h) Inventories:

The Stock of materials, stores and spare parts are valued on cost. Cost is determined as per weighted average cost method. Cost comprises of cost of purchase and other costs incurred in bringing inventory to its present location and condition. The inventories are issued on First In First Out (FIFO) basis.

Losses towards unserviceable and obsolete stores and spares are identified and written down based on technical evaluation.

2 i) Revenue Recognition:

i) Transmission income:

(a) Revenue from Transmission of electricity is accounted for based on Monthly Intra State Transmission Tariff Order issued by the Maharashtra Electricity Regulatory Commission (MERC), subsequent to the approval of Annual Performance Review (APR) for the current year and Aggregate Revenue Requirement (ARR) for the subsequent year. In the said Order the final true up for the Previous Year based on the Audited Accounts is also considered. Thus the said Order contains the Final True up for the Previous Year plus Provisional True up for the Current Year and Projected ARR for the subsequent year, including adjustments, if any.

(b) The excess / under recovery, if any, is adjusted in the subsequent ARR Orders approved by MERC and based on these ARR Orders, the new Monthly Intra State Transmission Tariff Order are issued by MERC. Thus the effect of earlier period's shortfall/excess recovery is adjusted in Monthly Intra State Transmission Tariff Orders issued by the MERC.

ii) **Other income** is recognized on accrual basis except when ultimate realization of such income is uncertain.

iii) **Sale of scrap** is accounted when the same is contracted to be sold.

iv) **Liquidated Damages:** As per the terms of contract, if liquidated damages are recovered from vendors same are being credited to Retention for liquidated damages (GLA/c - 123110) instead of crediting to miscellaneous income. In case where such retention amount toward liquidated damages is unremoved for the last three years or more or completion of the scheme, the proposal for charging the same as income shall be put up to competent authority after periodic review.

2 j) Investments:

Non Current Investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments.

Current Investments are carried at cost or market value, whichever is lower.

2 k) Foreign Currency transactions:

A Foreign currency transaction is initially recognized in the reporting currency, by applying the foreign currency amount exchange rate between the reporting currency and the foreign currency prevailing on the date of the transaction.

The gain or loss arising on account of exchange rate differences between the payment date and transaction date is recognized in the Profit and Loss Account for the year.

At the Balance Sheet date, foreign currency monetary items are reported using the closing rate. Gain or loss, if any, is recognized in the Profit and Loss Account for the year.

2 l) Classification of Broad Heads of Expenses

Disclosures regarding Consumption of Raw Materials and Changes in Inventories are not applicable to the Company. However, since the company is a service based entity engaged in the business of transmitting electricity, the broad heads of expenses have been reclassified to include Repairs & Maintenance as a major head of expense after considering its quantum.

2 m) Employee Benefits:

i) Short Term Employees Benefits:

The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as liability (accrued expense) after deducting any amount already paid.

ii) Post-employment benefits:

(a) Defined contribution plans:

Defined contribution plans are post-employment benefits plans under which Company recognizes fixed contributions as a liability (accrued expense) after deducting any contribution already paid. The Company's contribution to defined contribution plans are recognized in the statement of profit and loss in the financial year to which they relate.

(b) Defined Benefit Plan:

(i) Gratuity and Leave encashment:

Provision for accruing liability for gratuity and leave encashment on retirement is made on the basis of the liability as actuarially determined as at the year end.

(ii) Provident Fund:

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, making it a Multi Employer Defined Benefit Plan. 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 & loss.

The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortized on a straight-line basis over the average period until the amended benefits become vested.

The defined benefits obligations recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized gains and losses and unrecognized past service costs, and as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the unrecognized past service cost plus the present value of available refunds and reductions to the plan.

(iii) Other long term Employee benefits:

Entitlements to annual leave and sick leave are recognised when they accrue to employees. The Company determines the liability for accumulated leave using the Projected Units Credit Method with Actuarial valuation being carried out at each Balance Sheet date.

2 n) Leases:

i) Finance Lease:

In respect of assets acquired on finance lease, which are transferred under the Maharashtra Electricity Reforms Transfer Scheme, 2005 (Transfer Scheme), the lease rentals are charged to profit and loss account as and when the same accrue.

Assets acquired subsequent to June 5, 2005 are classified as Finance Lease, where the risks and rewards of the ownership of assets are transferred in substance to the Company. 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.

ii) Operating Lease:

Assets taken on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expense on straight line basis.

2 o) Taxation:

i) Income Tax:

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, reduction / disallowance.

ii) Deferred Tax:

Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, subject to consideration of prudence by applying the tax rate and laws enacted or substantially enacted by Balance Sheet date.

The DTA is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

2 p) Prior Period Items:

Adjustments arising due to errors or omissions in the financial statements of earlier years are accounted under the separate head 'Prior Period items'.

2 q) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes. Financial effect of contingent liabilities is disclosed based on information available up to the date on which financial statements are approved.

Contingent assets are neither recognized nor disclosed in the financial statements.

2 r) Capitalization of Head Office Supervision Charges (HOS):

The expenses incurred at the Project and Planning department (P&P section) are capitalized in a scheme having maximum Investment Outlay.

2 s) Accounting for Grant received from Maharashtra Energy Development Agency (MEDA):

As per Government of Maharashtra's policy for promotion of generation of energy from non conventional sources, 50% of cost 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.

2 t) Treatment of Outright Consumers Contribution (ORC) :

Outright Consumers Contribution received is being treated as follows :

- 1) If advance received towards expenditure still to be incurred on Fixed Assets same is treated as Current Liability.
- 2) If received as Supervision charges the same is treated as Revenue Income .
- 3) If it is capital receipt on account of creation of Fixed Assets the same is reduced from relevant fixed Assets .

2 u) Identification, Survey and Feasibility Expenses:

The Company has a policy to show such expenditure as distinct item under Capital Work in Progress up to period of its rejection or three years, whichever is earlier. In case where the scheme is not identified at the end of the year, such expenses are shown under the head "Other Current Assets".

2 v) General Orders and General Standing Orders:

The activities of the Accounts Departments are governed by the Seven Accounts Code Volumes prescribed during the erstwhile MSEB period. The Accounts Code Volume is applicable to MSETCL even after its trifurcation from MSEB. In Account Code Volume VII , General Order II, nature of powers and authorities are mentioned in terms of delegation of Powers for Supplies and Services/Works. General Order II states the applicable power delegated to all Officers in performance of there duties. Under Section I Delegation of Power (Supply and Services) , powers are delegated to officials for grant of extention of time limit with or without levy of penalty/liquidity damages including condonation for delay in applying for the extension of time limit by the contractor and also including the mode of recovery of penalty, if levied, are specified. As these Orders were specified during the MSEB period, the same has been amended and made applicable to MSETCL with immediate effect vide General Order No 1 dated 02 April 2007. This new amendment specifies the procedures for the delivery extension period/grant of extension of time limit approved by the competent authorities. The company has to constantly follow General Orders approved by the Board of Directors while processing the cases of levy/refund of liquidated damages considering the facts and circumstances of each and every case, which otherwise could lead to litigation during the contract period.

Note No	Particulars	As At 31.03.2016 (Rs. In Lakhs)	As At 31.03.2015 (Rs. In Lakhs)
3	Share Capital		
	(a) Authorized Capital		
	1500,00,00,000 Equity Share of Rs.10/-each	1,500,000.00	500,000.00
	(Previous Year 5,000,000,000 Equity Shares of Rs.10 each)		
		1,500,000.00	500,000.00
	(b) Issued, Subscribed & Paid Up Capital		
	898,49,74,733 Equity Shares of Rs.10/- each	898,497.47	5.00
	(Previous Year 50,000 Equity Shares of Rs.10 each)		
		898,497.47	5.00

(c) Terms & Rights attached to shares
Equity Shares

The company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Reconciliation of No. of shares outstanding in the beginning & at the end of the year

Particulars	Shares	Amount
Equity Shares		
Shares outstanding at the beginning of the year	50,000.00 (50,000.00)	5.00 (500,000.00)
Shares issued during the year	8,984,924,733.00	898,492.47
Shares outstanding at the end of the year	8,984,974,733.00 (50,000.00)	898,497.47 (500,000.00)

(e) Details of shareholders holding more than 5% of the aggregate Share Capital

Name of Shareholders	No of shares	% share
Equity Shares		
MSEB Holding Company Limited	8,984,974,673.00 (49,940.00)	100.00 (99.88)

(Figures in the brackets indicate those of the previous year)

Note No	Particulars	As At 31.03.2016 (Rs. In Lakhs)	As At 31.03.2015 (Rs. In Lakhs)
4	Reserve & Surplus		
(a)	Contingency Reserve Fund		
	Opening Balance	32,897.00	28,134.00
	Add : Addition During the Year	5,260.00	4,820.00
	Add / (Less) : (Excess) / Short Provision for earlier years	(59.00)	(57.00)
	Total	38,098.00	32,897.00
(b)	Special Reserve Fund		
	Opening Balance	13,939.00	7,869.00
	Add : Addition During the Year	0.00	6,070.00
	Add / (Less) : (Excess) / Short Provision for earlier years	0.00	0.00
	Total	13,939.00	13,939.00
(c)	Surplus in Statement of Profit & Loss		
	Opening Balance	532,237.60	366,672.47
	Add: Profit for the year	(425,579.12)	176,398.13
		106,658.48	543,070.60
	Less : Appropriations		
	Transfer to Contingency Reserve	5,260.00	4,820.00
	Transfer to Special Reserve Fund	0.00	6,070.00
	Add : (Excess) / Short Provision for earlier years	59.00	57.00
		101,457.48	532,237.60
	Add/(Less): Income Tax for earlier years	16,462.96	0.00
	Closing Balance	117,920.44	532,237.60
	Total (a+b+c)	169,957.44	579,073.60
5	Long Term Borrowings		
(a)	Secured Loans		
	(i) Term Loans from Banks	28,364.36	27,128.85
	(ii) Term Loans from Other Parties	583,894.09	625,375.11
		612,258.45	652,503.96
(b)	Unsecured Loans		
	Loan from KEC International	411.64	411.64
		411.64	411.64
	Total (a+b)	612,670.09	652,915.59

Note No	Particulars	As At 31.03.2016 (Rs. In Lakhs)	As At 31.03.2015 (Rs. In Lakhs)
6	Deferred Tax Liabilities (Net)		
	(a) Opening Balance of DTL	138,669.71	124,286.71
	(b) Add/Less: DTL/(DTA) during the Year:		
	(i) Depreciation	14,837.86	14,710.47
	(ii) Gratuity	287.18	(355.98)
	(iii) Leave Encashment	(2,041.40)	79.19
	(iv) Provision for Bad Debts	0.00	(50.68)
	Closing Balance	151,753.35	138,669.71
7	Other Non- Current Liabilities		
	Deposits	139,172.93	137,103.23
	Government Grant	2,064.26	3,791.05
	Others	42.36	42.36
	Total	141,279.55	140,936.64
8	Long Term Provisions		
	Provision from Employment Benefit		
	Provision for Gratuity	42,104.36	42,985.51
	Provision for Leave Encashment	33,473.66	33,370.03
	Total	75,578.02	76,355.53
9	Short Term Borrowings		
	Unsecured		
	(i) Loan Repayable on Demand		
	Short Term Loan from Banks	10,000.00	0.00
	Total	10,000.00	0.00
10	Trade Payables	30,737.92	44,247.33
	Total	30,737.92	44,247.33
11	Other Current Liabilities		
	(a) Unclaimed Open Market Bonds	84.80	84.80
	(b) Current maturities of long-term debt-Others	90,960.56	91,692.62
	(c) Interest accrued but not due on borrowings	9,207.80	10,038.42
	(d) Amounts Payable to Related Parties	44,288.53	46,253.19
	(e) Other Liabilities & Provisions		
	(i) Creditors for Capital Goods	12,580.29	14,415.50
	(ii) Advances from Customers	105.68	595.45
	(iii) Staff Related Liabilities and Provisions	6,400.74	14,479.04
	(iv) Duties & Taxes Payable	250.38	14.78
	(v) Other Payables	113.18	91.12
	(vi) Other Provisions	8,019.41	3,360.83
	Total	172,011.38	181,025.75
12	Short Term Provisions		
	Current Income taxes (net of tax paid)	0.00	8,873.16
	Total	0.00	8,873.16

Note No. 13 (a) Fixed Asset

Assets	Gross Block (At cost)			Depreciation/ Amortisation				Net Block	
	As at 01.04.2015	Additions	Deductions /Adjustments	at 31.03.2016	As at 31.03.2015	Depreciation for the period *	Deductions /Adjustments	As at 31.03.2016	As at 01.04.2015
Tangible Assets									
Land	14,974.74	2,285.46	6,919.59	24,179.79	0.00	0.00	0.00	24,179.79	14,974.74
Leasehold Land, including development	8,121.71	0.00	1,881.90	10,003.61	824.71	55.18	(0.99)	9,124.72	7,297.01
Buildings	40,181.69	17,238.81	3,806.42	61,226.92	19,309.73	936.47	5,169.85	35,810.87	20,871.96
Hydraulic Works	3,491.50	0.00	120.37	3,611.87	2,199.88	34.36	277.17	1,100.45	1,291.61
Other Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Railway Sidings	284.72	0.00	23.57	308.29	105.08	0.00	21.93	181.28	179.64
Roads and Others	87,973.09	0.00	19,111.21	107,084.30	17,243.10	3,877.71	1,178.11	22,298.92	70,729.98
Plant, Machinery & Equipments	1,209,567.01	195,390.75	134,559.27	1,539,517.03	508,514.60	47,468.35	200,583.86	782,950.22	701,052.41
Lines & Cable Networks	732,954.81	0.00	455,968.57	1,188,923.38	299,803.10	31,952.84	260,845.77	592,601.71	433,151.71
Vehicles	1,581.57	16.89	(28.66)	1,569.80	960.36	72.13	(48.87)	586.18	621.21
Furniture & Fixtures	2,672.96	133.45	(47.72)	2,758.69	1,226.34	118.03	(12.17)	1,426.48	1,446.62
Office Equipments	4,324.30	0.00	592.43	4,916.74	1,935.49	1,379.25	(942.47)	2,544.47	2,388.82
(Including computers)									
Capital Expenditure resulting in Assets not belonging to the Company	291.82	0.00	0.00	291.82	0.00	0.00	0.00	291.82	291.82
Total Tangible Asset	2,106,419.91	215,065.36	622,906.96	2,944,392.23	852,122.39	85,894.32	467,072.18	1,539,303.34	1,254,297.53
Intangible Assets									
Computer software	2,840.21	4.21	0.00	2,844.42	2,051.92	222.54	0.00	2,274.46	788.29
	2,840.21	4.21	0.00	2,844.42	2,051.92	222.54	0.00	2,274.46	788.29
Total of Tangible & Intangible Assets	2,109,260.12	215,069.57	622,906.96	2,947,236.65	854,174.31	86,116.86	467,072.18	1,539,873.29	1,255,085.81

Note No.

13 (b) : Capital Work in Progress

	As at 01.04.2015	Capital Expenditure	Capitalisation	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Capital Work in Progress	402,315.10	129,318.00	(215,064.68)	316,568.42	316,568.42	402,315.10

***Depreciation for the period**

Depreciation Charged during FY 2015-16 (Tangible & Intangible)

Prior Period Depreciation (Net)

Total Depreciation

86,116.86
5,273.00
91,389.86

Note No	Particulars	As At 31.03.2016 (Rs. In Lakhs)	As At 31.03.2015 (Rs. In Lakhs)
14	Non Current Investment		
	a) Investment in Joint Venture with Jaigad Power Transco Ltd. (Rs.357.50 lakhs (PY 357.50 lakhs) Equity Shares of Rs.10 each)	3,575.00	3,575.00
	b) Investment in Joint Venture with Maharashtra Transmission Communication Infrastructure Ltd.(MTCIL) (5223726 Equity Shares (P.Y. 3460421 Equity Shares of Rs. 10 Each)	522.37	346.07
	c) Investment in Government Securities	44,535.16	42,923.80
	Total	48,632.53	46,844.87
15	Long Term Loans and Advances		
	Unsecured, Considered Good		
	(a) Advances for Capital Assets	6,824.57	7,592.20
	(b) Security Deposit	1,407.37	1,447.86
	(c) Fixed Deposits Received from Suppliers/ Contractors as Security Deposits	636.41	714.81
	Total	8,868.34	9,754.88
16	Other Non Current Assets		
	(a) Claims for loss/damage to materials	0.58	0.58
	(b) Training Fee Paid to ITI on Behalf of Employees	0.00	0.14
	(c) PF Board of Trustees	0.00	209.84
	Total	0.58	210.56
17	Inventories		
	Stores & Consumables	27,834.72	31,032.00
	Less:Provision for Material Losses Pending Investigation & Obsolete Materials	(384.46)	(1,190.92)
	Total	27,450.27	29,841.08
	Inventories are carried at the lower of cost or net realisable value.		
18	Trade Receivables		
	(a) Over six months from the date they were due for payment		
	Unsecured, Considered Good	21,915.88	21,871.99
	Unsecured, Considered Doubtful	0.00	0.00
	(b) Others		
	Unsecured, Considered Good	237,347.42	276,421.92
	Unsecured, Considered Doubtful	0.00	0.00
	Total	259,263.30	298,293.91

Note No	Particulars	As At 31.03.2016 (Rs. In Lakhs)	As At 31.03.2015 (Rs. In Lakhs)
19	Cash & Bank Balances		
	(a) Cash and Cash equivalents		
	Cash and Stamps on Hand	14.75	19.87
	(b) Bank Balances		
	Collection/Disbursement Accounts	3,028.86	1,987.17
	Total	3,043.61	2,007.03
20	Current Investments		
	a) Investment in Government Securities	4,750.27	7,415.15
	b) Fixed Deposits with Banks	3,467.25	172.50
	Total	8,217.52	7,587.65
21	Short Terms Loans and Advances		
	Unsecured, Considered Good		
	(a) Advances to Suppliers	2,359.07	10,858.81
	(b) Loans & Advances to Employees	2,711.20	4,218.92
	(c) Other Loans and Advances	207.27	211.97
	Total	5,277.54	15,289.70
22	Other Current Assets		
	Unsecured, Considered Good		
	(a) Prepaid Expenses	99.56	121.11
	(b) Interest & Other Income Receivable	1,595.39	2,043.79
	(c) Income Tax (Net of Provisions) Previous Years	33,159.39	16,739.62
	(d) Income Tax (Net of Provisions) Current Year	4,943.80	0.00
	(e) Expenses Recoverable	259.81	252.66
	Less: Provision for Doubtful Debts	(149.11)	(149.11)
	(f) Others	973.91	918.69
	Total	40,882.74	19,926.75

Note No	Particulars	As At 31.03.2016 (Rs. In Lakhs)	As At 31.03.2015 (Rs. In Lakhs)
23	Revenue from Operations		
	(a) Transmission charges recoveries	315,926.00	504,414.50
	(b) Transmission charges recoveries (Goa)	5,913.10	2,057.85
	(c) Transmission charges recoveries (Dadra Nagar)	4,782.28	6,142.32
	(d) Open Access Charges	2,140.09	705.29
	(e) SLDC Charges	2,560.26	3,265.38
	(f) Rescheduling Charges	163.20	160.11
	Total	331,484.94	516,745.45
24	Other Operating Revenue		
	Sale of Scrap	383.63	1,446.48
	Total	383.63	1,446.48
25	Other Income		
	(a) Interest income	5,334.42	4,394.57
	(b) Rent	371.99	1,226.06
	(c) Profit on sale of fixed assets	1,424.80	1,739.24
	(d) Sale of tender forms	109.31	151.01
	(e) Other Miscellaneous Income	17,835.38	12,135.37
	(f) Foreign Exchange Gain	6.51	5,360.26
	Total	25,082.40	25,006.52
26	Repair & Maintenance Expenses		
	(a) Plant & machinery	18,150.66	21,510.01
	Others	611.77	297.27
	(b) Less: Repairs and maintenance expenses capitalised	(50.11)	(306.14)
	Total	18,712.32	21,501.14
27	Employee Benefit Expenses		
	(a) Salaries, allowances, Bonus etc.	74,107.07	69,592.32
	(b) Staff welfare expenses	1,048.83	659.76
	(c) Other staff costs	732.10	725.24
	(d) Leave encashment	7,053.64	7,357.60
	(e) Gratuity	8,425.95	10,915.76
	(f) Contribution to Provident & Other Funds	8,240.92	5,865.00
	(g) Less: Employees cost capitalised	(8,537.36)	(8,925.96)
	Total	91,071.15	86,189.73
28	Finance Cost		
	(a) Interest Expenses		
	i) Interest to Bank	2,657.89	4,193.86
	ii) Interest to Others	79,784.44	83,455.69
	(b) Other Finance Costs		
	i) Guarantee charges	18.13	131.53
	ii) Miscellaneous Finance Costs	928.99	62.05
	(c) Less: Interest and Finance Charges Capitalised	(17,577.72)	(19,168.55)
	Total	65,811.74	68,674.59

Note No	Particulars	As At 31.03.2016 (Rs. In Lakhs)	As At 31.03.2015 (Rs. In Lakhs)
29	Other Expenses		
	(a) Advertisement Expenses	33.37	29.44
	(b) Advertisement of tenders/notices and other purchase related advertisement	850.03	535.15
	(c) Auditor's Remuneration		
	i) Statutory Audit Fees	22.41	15.00
	ii) For Reimbursement of Expenses	10.35	12.36
	(d) Bad debts written off	0.00	0.12
	(e) Electricity Charges	5,291.95	4,694.81
	(f) Freight Charges	5.04	98.64
	(g) Government Inspection Fees	0.92	0.15
	(h) Insurance	306.51	363.15
	(i) Legal & Professional Fees	979.17	632.55
	(j) Membership & Subscription	758.67	778.13
	(k) Miscellaneous Expenses	2,985.20	2,901.48
	(l) Miscellaneous losses and provisions	31.61	397.02
	(m) Octroi Charges	22.03	53.55
	(n) Postage Telephone & Telex	483.46	445.41
	(o) Printing & Stationery	291.52	229.51
	(p) Rent	1,176.47	1,161.55
	(q) Rates & Taxes	954.60	889.55
	(r) Security Expenses	4,792.29	4,635.36
	(s) Travelling & Conveyance	919.37	798.09
	(t) Upkeep of office	922.88	970.88
	(u) Vehicle Running & Maintenance Expenses	509.24	604.96
	(v) Water charges	453.03	507.16
	(w) Expenditure on Hire	1,609.14	1,430.00
	(x) Foreign Exchange Loss	4,461.74	0.00
	(y) CSR Expenses	4,452.17	3,300.00
	(z) Less: Administration and HOS expenses capitalised	(3,797.94)	(1,158.24)
	Total	28,525.23	24,325.79
30	Prior Period Expenses/(Income)		
	<u>(Incomes)</u>		
	Other income	0.00	(580.67)
	Excess Provision of Depreciation for Prior Periods	0.00	0.00
	Income Due to Revaluation in Stock	0.00	0.00
	<u>Expenses</u>		
	Operating expenses	2,771.24	1,125.14
	Employee costs	1,304.31	487.05
	Administration and other expenses	91.86	64.81
	Materials related expenses relating to prev. year	99.73	695.48
	Short/Excess Provision of Depreciation for prior period	5,273.00	2,227.33
	Interest and other finance charges	1.94	(8.34)
	Total	9,542.08	4,010.81
31	Tax Expenses		
	(a) Current tax	4,287.71	69,207.12
	(b) Deferred tax	13,083.64	14,383.00
	Total	17,371.35	83,590.12

32 Contingency Reserve and Special Reserve:

As per directions of MERC vide Order No. 31 of 2016 dated 7th July, 2016, the company for F.Y. 2015-16 has appropriated an amount of Rs. 5,149 Lakhs (Previous Year Rs. 4,820 Lakhs) towards Contingency Reserve. In addition, Rs. 52 Lakhs has also been appropriated in F.Y. 2015-16 towards differential amount of Contingency Reserve for F.Y. 2014-15.

Furthermore, an amount of Rs. NIL (Previous Year Rs. 6,070 Lakhs) has been appropriated towards Special Reserve.

As the said MERC order was received after 31.03.2016 but before finalization of Balance Sheet, impact of such order has duly been given in the accounts for F.Y. 2015-16.

33 Secured Loans:-

(Rs. In Lakh)

Loan Secured By				
Name of the Institution	Guarantee from State Government	Hypothecation against future assets	Mortgage against existing assets	Total
REC	NIL	383,839.00	-	383,839.00
PFC	475	235,243.00	-	235,718.00
Union Bank of India	-	11,281.00	-	11,281.00
Bank of Baroda	-	8,845.00	-	8,845.00
IFC	-	-	16,816.00	16,816.00
OBC	-	8,238.00	-	8,238.00

Repayment Schedule of Long Term Loan Liabilities

Particulars	Rural Electrification Corporation	Power Finance Corporation	Union Bank of India	Bank of Baroda	IFC	JICA	OBC
Nature of 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 33,570.00 Lakhs	Rs 26,400.00 Lakhs	Rs 24,460.00 Lakhs	RS.61,849.00 Lakhs (16749 million Yen) (12070.58 million Yen)	27,673.00 Lakhs
Period (Term)	13 Years (3+10)	17 Years (2+15)	15 Years (2+13)	15 Years (2+13)	11 Years (3+8)	15 Years (5+10)	10 years
Moratorium Period	3 Years	2 Years	2 Years	2 Years	3 Years	5 Years	-
Repayment	Repayment is ongoing	Repayment is started	Repayment is started	Repayment is started	Repayment is started	Repayment is started	Repayment is started
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Debt Restructuring
Rate of Interest (Floating)	12.00%	12.00%	11.25% p.a. With monthly rest & with annually reset	11.00% p.a. With monthly rest & with annually reset	10.88%	0.75%	10.30%
Terms of Payment	Yearly	Quarterly	156 monthly installments	156 monthly installments	Semi Annually	Semi Annually	Quarterly & 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	1% of the Loan Sanctioned	Nil	Nil
Commitment Charges	Upto 500 Cr- Nil Above 500 Cr- 0.25% P.A. on undrawn Amount of Quarter till the date of actual withdrawal	Upto 500 Cr- Nil Above 500 Cr- 0.25% P.A. on undrawn Amount of Quarter till the date of actual withdrawal	Nil	Nil	0.50% of the undrawn amount of Loan has not been disbursed	Nil	Nil
Margin Money Requirement (Equity)	20.00%	20.00%	20.00%	20.00%	20.00%	VAT,CST/ ED Paid by MSETCL	Nil

Foreign Currency Loan

Loan Secured by	JICA (Rs.) in Lakhs	JICA (¥) in Million	Total (Rs.) Lakhs
Guarantee from Central Government	38,481.61	6,567.18	38,481.61

¥ Japanese Yen

- 34** Loans and Advances include amounts recoverable from the Companies under the same management within the meaning of Section 184(2) of the Companies Act, 2013 as under:

(Rs. in Lakh)

Name of the Company	2015-16	2014-15
Maharashtra State Power Generation Co. Ltd.	(415.95)	(415.23)
Maharashtra State Electricity Distribution Co. Ltd.	21,961.86	21,136.21
MSEB Holding Company Limited	826.75	3,651.13
MSEB Residual Co (From Government of Maharashtra to MSEB Holding Company)	-	9.08
Total	22,372.66	24,381.19

- 35 a)** Upto F.Y. 2010-11, the company had consistently followed the accounting practice of charging its purchase of 'stores and spares' to Profit and Loss Account by assuming that the same have been consumed during the year of purchase. However, the company had implemented SAP as ERP platform during F.Y. 2011-12 and since then has regularly got the inventories of 'stores and spares' physically verified at the year end as per the Regulation No5(6) of MSEB Administration of Funds and Properties Regulations 1980 and Section XIX-4 of Accounts Code Volume III. As per the schedule all the Zones have carried out the physical inventory verification and reported the excess / shortage in the inventory position to Management. As per the reports provided the excess/shortage in physical inventory to the net tune of Rs. 249.30 Lakhs (P.Y. Rs. 475.17 Lakhs) was reported which was submitted to the management for approval. Accordingly, the company has now accounted for the same in books of accounts as stock of 'stores & spares' amounting to Rs. 249.30 Lakhs (P.Y. Rs. 475.17 Lakhs) by crediting the Prior Period Income due to which balance of Profit & Loss Account and stock of 'stores & spares' are higher by Rs. 249.30 Lakhs (P.Y. Rs. 475.17 Lakhs).
- b)** The company had not provided for Obsolete Stock, Material Pending Investigation and Loss to Fixed Assets pending approval by Competent Authority. As a matter of prudence, a provision has been made amounting to Rs. -806.46 Lakhs (Previous Year Rs. 173.14 Lakhs) for the same.

36 Capital Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 12,552.22 Lakhs (Net of Advances of Rs. Nil) (Previous Year Rs. 66,260.23 Lakhs)

37 Managerial Remuneration:

Particulars	2015-16	2014-15
Salary & Allowance	65.62	54.38
Contribution to PF & Other Funds	7.46	9.10
Total	73.09	63.48

38 Remuneration to Statutory Auditors:

Particulars	2015-16	2014-15
For Audit	19.49	15.00
Reimbursement of out of pocket expenses	9.00	9.00
Service Tax	4.27	3.36
Total	32.76	27.36

39 Value of Imports on C.I.F. Basis:

Particulars	2015-16	2014-15
Components and Spare Parts	Nil	Nil
Capital Goods	Nil	Nil

40 Expenditure/Earning in Foreign Currency on cash basis:

Particulars	2015-16	2014-15
Interest on foreign currency Bank loan	311.59	335.85

**41 Amount remitted during the year in foreign currencies on account of Dividend:
 Rs. Nil (Previous year- Rs. Nil)**

42 Particulars of income derived from Transmission of Electricity:

Particulars	2015-16	2014-15
Total Energy Transmitted (in Million Units) (Net)	141,766	135,372
Income from operations (Rs. in Lakhs)	331,484.94	516,745.45

43 Since the Company is a Service industry, disclosures required in respect of manufacturing company like Licensed Capacity, Installed Capacity, Production, Sales, Inventories and other related disclosures are not made.

44 Disclosures required by Accounting Standards:

Employee Benefits (As required by AS 15):

i) Short Term Employee Benefits:

Short term employee benefits like salaries, wages, allowances, perquisites, bonus, incentives, medical expenses reimbursements, contribution to group insurance schemes, leave travel assistance and other benefits which fall due within twelve months after the end of the period in which the employee render the related services are accounted as expenses in the period in which services rendered except ex-gratia payments which is accounted for as and when it is declared.

ii) Post Employment Benefits:

Defined Benefit Plan:

(a) Provident Fund:

The Company makes contributions 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 Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, 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. 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 in excess by Rs. 2,199 Lakhs (P.Y. Rs. 2,387 Lakhs excess) than subscription value, hence no provision is required.

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	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Liability for subscriptions and interest payable to employees at the end of the year.	119,738.89	104,874.00
Fair Value of Plan Assets at the end of the year	121,937.60	105,807.00
Net Liability	(2,199.00)	(933.00)

Description of Plan Assets:

Particulars	For the year ended 31 st March, 2016 (In %)	For the year ended 31 st March, 2015 (In %)
Special Deposit Schemes.	29.41	31.64
Bonds issued by public sector enterprises	35.10	33.95
Government Securities	27.98	33.55
Others	7.51	0.86
Total	100.00	100.00

(b) Gratuity (Unfunded Defined Benefit Plan):

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent of 15 days salary for each year of service subject to maximum of 20 months salary or in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997 whichever is more beneficial. Vesting occurs upon completion of five years of service. The calculation is made on Projected Benefit Obligation has been based on Unit Credit method. Actuarial gains and losses are recognized in the Profit and Loss account, based on valuation made as at the year end.

(c) Leave Encashment Benefit (Unfunded Defined Benefit Plan):

Leave Encashment is payable to employees as per the Company's scheme. The whole of privilege leave (PL) / Half Average Pay (HAP) Leave to the credit of employee can however be encashed at the time of super Annuation / final settlement of his account. Encashment of leave is done only on the applicable PL/HAP salary.

(d) Defined Benefit Plans:

Gratuity and Long Term Compensated Absences – as per actuarial valuations as on March 31, 2016 and recognized in the financial statement in respect of Employee Benefit Schemes:

Expenses recognized in the Statement of Profit and Loss (Rs. In Lakhs)

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Components of Employer Expense	Gratuity	Gratuity
	Unfunded	Unfunded
Current Service Cost	1,843.51	1,622.28
Interest Cost	3,404.45	3,921.22
Actuarial Losses / (Gains)	3,126.64	5,372.25
Total employee expense recognized in the Statement of Profit and Loss	8,374.60	10,915.75

Reconciliation of Defined Benefit Obligation (Rs. In Lakhs)

Change in Defined Benefit Obligations	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	Gratuity	Gratuity
	Unfunded	Unfunded
Present Value of Defined Benefit Obligation at the beginning of period.	42,985.51	41,938.20
Current Service Cost.	1,843.51	1,622.29
Interest Cost	3,404.45	3,921.22
Less : Benefits Paid	9,255.75	9,868.45
Actuarial Losses / (Gains)	3,126.64	5,372.25
Present Value of Defined Benefit Obligation at the end of period.	42,104.36	42,985.51

The gratuity provision has been recognized as 'Provision for Gratuity' and Provision for Leave Encashment as 'Provision for Leave Encashment' in "Provisions".

Summary of Actuarial Assumptions:

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Actuarial Assumptions	Gratuity	Gratuity
	Unfunded	Unfunded
Increment Rate	5%	5%
Rate of Discounting	7.86% (Indicative G.Sec referenced on 31-03-2016)	7.92% (Indicative G.Sec referenced on 31-03-2015)
Attrition rate	2% (All Service Groups)	2% (All Service Groups)
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

45 Segment Reporting

i) Business Segment:

Transmission of Electricity is the principal business activity of the Corporation. There are no other activities which form a reportable segment as per the Accounting Standard – 17 Segment Reporting.

ii) Secondary Segment:

The operations of the Company are mainly carried out within the state of Maharashtra and therefore geographical segments are not applicable.

46 Disclosures of transactions with Related Parties as required by the Accounting Standard –18:

In view of the paragraph 9 of AS 18, no disclosure is required as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

Other disclosure as required by AS 18 is as under:

i) List of Related Parties :

List of Joint Ventures :

Jaigad Power Transco Ltd (JPTL)

Maharashtra Transmission Communication Infrastructure Limited (MTCIL)

ii) Key Management Personnel :

The amount recognized in balance sheet in respect of Company's share of assets and liabilities of the

Shri. Rajeevkumar Mital	Chairman & Managing Director
Shri. P.G. Mohite	Director Finance (Ceased w.e.f. 06.06.2015)
Shri. J.K.Srinivasan	Additional Charge of Director Finance (w.e.f. 06.06.2015)
Dr. Jyoti Arora	Company Secretary (Ceased w.e.f. 30.05.2015)
Ms. Vineeta Shriwani	Company Secretary (w.e.f. 22.06.2015)

iii) Transactions with Related Parties at (i) above are as follows :

(1) Joint Venture between MSETCL and JSW Energy Limited : Jaigad Power Transco limited .

- a)** During the F.Y. 2015-16 MSETCL is in receipt of Rs. 1,014.99 Lakhs as dividend against Equity holding of Rs. 3,575.00 Lakhs in Jaigad Power Transco Ltd for F.Y. 2014-15.
- b)** Receipts as per O&M agreement for the Terminal Bay's, Karad & Koyna during F.Y. 2015-16 is Rs.35.77 Lakhs (Inclusive of service Tax of Rs. 4.45 Lakhs)

(2) Joint Venture between MSETCL AND STERLITE TECHNOLOGIES LIMITED : Maharashtra Transmission Communication Infrastructure Limited

MSETCL entered into the Joint Venture with Sterlite Technologies Ltd. on 4th May, 2012. The Joint Venture company namely MTCIL (Maharashtra Transmission Communication Infrastructure Limited) was incorporated on 9th August, 2012. The Company has been formed with the express objective of establishing an OPGW based communication network, which will utilize the same commercially as a telecom infrastructure provider company.

To achieve its objective MTCIL shall collaborate actively with MSETCL (Maharashtra State Electricity Transmission Company Limited) to develop an OPGW route over the latter's EHV transmission infrastructure (including switching stations/substations) of length more than 2801 Kms across the state of Maharashtra reaching 9 major cities and a large catchment of the semi-urban and rural areas. The idea of this venture is to promote highest level of convergence between power and telecommunication fields by developing an extensive OPGW infrastructure which will pave the way for pervasive telecom facilities for the state by providing the ultra high capacity telecom backbone over the OPGW route.

During FY 2012-13, MSETCL has paid Rs. 37.38 Lakhs to acquire equity shares of MTCIL against which 24,500 Nos. of equity shares were issued in the FY 2012-13 and 3,49,266 Nos. of equity shares were allotted during FY 2013-14. During FY 2013-14, MSETCL has paid Rs. 100 Lakhs against which MTCIL has issued 10,00,000 Nos equity shares during FY 2014-15 and further during FY 2014-15 MSETCL has paid Rs. 208.70 Lakhs against which MTCIL has issued 20,86,955 Nos. of equity shares. During the financial year MSETCL has paid Rs. 176.30 Lakhs against Equity Shares Nos. 1763005.

47 Disclosures regarding leases (AS 19) :

(Only Leases of significant nature have been considered for the purpose of disclosure under this clause)

i) Operating Leases:

(Rs. In Lakhs)

Particulars	2015-16	2014-15
Disclosure in respect of significant non cancellable agreements for office/residential premises and guest house taken on lease from MSEB Holding Co. Ltd.		
Lease payments recognized in the Profit and Loss Account	1,077.19	957.10
Significant leasing arrangements		
The Company has not given any security deposits under the agreement.		
The agreement does not provide for increase in rent.		
Future minimum lease payment.		
Not later than one year	1,085.77	957.68
Later than one year and not later than five years	1,093.61	1,922.02
Later than five years		

ii) Finance Leases:

The Company has not entered into any material financial lease.

48 Earnings Per Share (AS 20):

Particulars	2015-16	2014-15
Profit After Tax as per Accounts (For Basic and Diluted Earnings Per Share) – (A) (Rs.in Lakhs)	(425,579.12)	176,398.13
Weighted Average number of shares outstanding during the year for Basic EPS (Nos.)- (B)	89,849.75	50,000.00
Add : Effect of potential equity shares on issue of shares against share suspense account	0.00	2,695,992,045.00
Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) –(C)	89,849.75	2,696,042,045.00
Basic Earnings Per Share (Amount in Rs.) (A)/(B)	0.00	352,796.27
Diluted Earnings Per Share (Amount in Rs.) (A)/(C)	0.00	6.54

49 Current Taxation:

The Company has made Provision of Income tax for the current year for Rs. 4287.71 Lakhs.

50 Deferred Taxation (AS 22):

(Rs. In Lakhs)

(a)	Opening Balance of DTL	1,38,669.71	1,24,286.71
(b)	Add/Less: DTL/(DTA) during the Year:		
	(i) Depreciation	14,837.86	14,710.47
	(ii) Gratuity	287.18	(355.98)
	(iii) Leave Encashment	(2,041.40)	79.19
	(iv) Provision for Bad Debts	0.00	(50.68)
	Closing Balance	1,51,753.35	1,38,669.71

The Company has withdrawn excess provision of Income Tax amounting to Rs. 164,62,95,730/- for F.Y. 2013-14 on account of MAT Credit.

The effect of depreciation due to FRP has not been considered while calculating DTL/DTA as the said effect of FRP Depreciation amounts to Permanent Difference instead of Timing Difference.

51 Joint Venture Operations (AS 27):

- (A) Jaigad Power Transco Ltd (JPTL), a joint venture between the Company (26%) and JSW Energy Ltd. (74%), was incorporated on 23rd April 2008 and awarded Transmission license on 8th February, 2009 by Maharashtra Electricity Regulatory Commission (MERC) under Section 14 of Electricity Act, 2003.

The object of the jointly controlled entity is to establish 400 kV D/C Jaigad - New Koyna Transmission Line and 400 kV D/C Jaigad - Karad Transmission Line. Construction of Transmission Line has been completed and has been declared for commercial operations w.e.f. 7th July 2010 and 2nd December 2011 respectively.

During the F.Y. 2008-09, the Company had paid Rs. 1,521.77 Lakhs to acquire 1,52,17,670 Nos. of equity shares of JPTL. Further during the F.Y. 2010-11 the Company had paid Rs. 1,505.24 Lakhs to acquire 1,50,52,414 Nos. of equity shares of JPTL and during F.Y. 2011-12, the company had paid Rs. 547.99 Lakhs to acquire additional 54,79,916 number of equity shares of JPTL. Thus the total equity shares of JPTL held by MSETCL is Rs. 3,575.00 Lakhs [3,57,50,000 Nos of Equity Shares]

The Company's interest in joint venture is reported as Long Term Investment and stated at cost less provision for diminution other than temporary, if any, in the value of such investment.

The above joint venture company is incorporated in India. The Company's share of assets and liabilities as on 31st March, 2016 and income and expenses based on audited financial statements for the year ended on that date are given below:

		(Rs. In Lakhs)	
Particulars	31/03/2016	31/03/2015	
Assets			
Long Term Assets	11,008.55	11,729.40	
Current Assets	2,017.83	1,972.91	
Liabilities			
Long Term Liabilities	6,430.87	7,215.18	
Current Liabilities and Provisions	1,442.27	1,373.70	
Contingent Liabilities	Nil	Nil	
Capital Commitments	Nil	Nil	
Income	3,415.44	2,666.79	
Expenses	2,081.23	1,809.90	

- (B)** Maharashtra Transmission Communication Infrastructure Limited (MTCIL) is a joint venture between the company (49%) and Sterlite Technologies Limited (51%). The composition of MSETCL share would be 24.5% in equity shares and 24.5% in Non- Cumulative Redeemable Preference shares, whereas STL's contribution would be 51% in Equity only. In view of this the effective equity shareholding ratio would be 67.55% and 32.45%. Out of the equity shareholding of 32.45% of MSETCL, 5.96% of equity shares in the company shall be allotted to it for consideration other than cash (cashless component). During the financial year MSETCL has paid Rs. 176.30 Lakhs against Equity Shares Nos. 1763005 Thus shareholding pattern as on 31st March 2016 is Sterlite Technologies Limited (72.10%) and MSETCL (27.90%).

The company was incorporated on August 9, 2012. The principal commercial activity of the MTCIL would be making available fibre capacity on lease rental to retail, wholesale and enterprise/corporate customers, drawn from Optical Power Ground Wire (OPGW) network.

The Company's interest in joint venture is reported as Long Term Investment and stated at cost less provision for diminution other than temporary, if any, in the value of such investment.

The above joint venture company is incorporated in India. The Company's share of assets and liabilities as on 31st March, 2016 and Income and expenses based on audited financial statement for the year ended on that date are given below.

(Rs. In Lakhs)		
Particulars	31/03/2016	31/03/2015
Assets		
Long Term Assets	2,072.13	906.01
Current Assets	69.91	5.77
Liabilities		
Long Term Liabilities	614.25	189.28
Current Liabilities and Provisions	880.32	257.56
Contingent Liabilities	Nil	Nil
Capital Commitments	Nil	Nil
Income	6.98	1.68
Expenses	23.03	21.07

52 Impairment of Assets (AS 28):

In accordance with AS-28 'Impairment of Assets', impairment analysis of assets of transmission activity of the company by evaluation of its cash generating units, was carried out by an outside agency in the year 2006-07 and since recoverable amount 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.

53 Contingent Liabilities (AS 29) : (In excess of Rs. Ten Lakhs individually in value)

1] 2710 : CCCM Dn. Aurangabad

The contract of Construction of gantry equipment foundation and other works (Matter-I) and construction of WBM road, road side Gutter and other works (Matter-II) at 220 KV S/Stn, MIDC, Jalna was awarded to M/s. Balraje Construction, Geroi by erstwhile MSEB. Special Leave Petition No. 15749/2011 Dt. 09.05.2011 which is converted into Civil Appeal No. 8157 of 2014

The contractor failed to execute the assignment as per terms and conditions of the Contract; hence its payment was withheld. The Contractor opted to resolve dispute with then MSEB through arbitration. Sole Arbitrator, Mr. M. D. Tambekar declared to pay Rs. 33.37 Lakhs (matter-I) and Rs. 11.96 Lakhs (matter- II) to Contractor and interest @15% per annum thereon. The company after taking legal opinion, has filed appeal in the Hon. High Court, Bombay (Bench at Aurangabad), against the award declared by the sole arbitrator.

Meanwhile, on 18/01/2010, judgement was held in favour of Company at Principle District Court, Aurangabad. Accordingly, assessment of claims & interest charges over the claims delivered by the Hon. Principle District Judge, Aurangabad, were prepared & submitted to concerned pleader. The total amount due to M/s Balraje Constructions was Rs. 9.68 Lakhs (Matter-I) and Rs. 3.38 Lakhs (Matter-II) i.e. Rs. 13.06 Lakhs including interest. The same has been deposited in the Hon'ble District Court Aurangabad.

Further, summons from Hon. High court Mumbai, Aurangabad bench for arbitration appeal No.8/2010 & 7/2010 scheduled at 16/07/2010. The judgement was given by the Hon'ble High Court Mumbai Bench Aurangabad on dated 25/04/2011 & referred the matter to the sole Arbitrator. But MSETCL opted to file SLP against the order. Now special leave petition vide SLP No. 15457/2011 dated 09/05/2011 (Matter-I) and SLP No.15309/2011 dated 06-05-2011 (Matter-II) is filed in Hon'ble Supreme Court New Delhi. As per supreme court order against SLP No. 15457/2011 dated 09/05/2011 (Matter-I) granted stay and SLP No.15309/2011 dated 06/05/2011 (Matter-II) the amount involved is small, the SLP is dismissed and again referred the matter to the sole arbitrator.

The liability which may be encumbered by MSETCL, will be Rs. 76.06 Lakhs i.e. total liability including interest upto 31/03/2015 is Rs. 89.12 Lakhs less amount deposited in the court of Rs. 13.06 Lakhs.

- 2]** 132 KV Shahada-Taloda line erection work was given to M/s Mistry Construction Co., at cost of Rs. 9.25 Lakhs. But the contractor has not completed the work. Hence 63 Towers work was completed departmentally. The respondent has submitted the final bill for full completed work, which was not carried out by him and hence, his claim was refused.

Thereafter, the contractor went to Jalgaon Court for the payment of unexecuted work.

The Jalgaon Court on 23.03.2001 passed the order against erstwhile MSEB to pay Rs. 6.96 Lakhs to the contractor towards final bill after recovering Rs.10,354 from the petitioner which is due to MSETCL & Rs. 1.54 Lakhs against supply of water cost, risk. The MSEB had deposited Rs. 5.32 Lakhs in the court by deducting the abovementioned amount. After receipt of certified copy of the judgement, the MSEB appealed in High Court of Mumbai Bench at Aurangabad on 03.03.2002 against the decision of Hon Senior division Court Jalgaon.

At present Hon' High Court Bench Aurangabad transferred to Dist. Court Jalgaon on dtd 08.02.2012. Now the case is still pending at Dist. Court Jalgaon. The contingent liability may amount to Rs. 5.32 Lakhs.

3] 1620 : Amaravati Constn.Divn.

M/s H T Associates was awarded work of excavation, foundation, erection and stringing etc for 132 KV Chikhli-Dhad Transmission line. Since the contractor could not complete assigned task in time, the balance work was allotted to another contractor by calling tender. MSETCL suffered a loss caused by the H T Associates. MSETCL has made claim of Rs. 57.73 Lakhs with interest @ 18% per anum that amounts to Rs. 20.78 Lakhs till date. M/s. H T Associates, aggrieved by this arrangement, appealed in Hon. Court and brought stay on the said tender. M/s. H T Associates has counterclaimed Rs. 81.14 Lakhs from MSETCL. Now the case is under arbitration with zonal office Amaravati.

4] 4710 : CCCM Dn. Nagpur Case No. 42/2003

Superintending Engineer, EHV Construction Circle, Aurangabad had accepted tender of M/s. S. K. Sahni for construction of gantry, equipment foundation, control room building, G. I. Pipe line, water sump, providing metal spreading etc at 132/33 KV S/s, Sindewadi, Dist. Chandrapur. M/s. S. K. Sahni has claimed Rs. 19.27 Lakhs from MSETCL on count of Loss of idling of camp labour, work done but not paid, price escalation, interest on claim etc.

The Case No. 569/2009 between Sudhir Sahani and MSETCL is pending before civil court, Nagpur. The last date of hearing was 19/03/2015. The contingent liability in this case amounts to Rs. 19.27 Lakhs.

5] Mr. N.S Suryawanshi & others have filed suit against MSETCL at District Court, Nasik. The Hon. District court Nasik, passed order against MSETCL, and ordered MSETCL to pay Rs. 145.58 Lakhs as compensation for land acquisition.

Against this, MSETCL has filed an appeal at High Court, Bombay. The Hon. High Court, Bombay has given stay on order passed by District court Nasik. Further the Hon. High Court has ordered MSETCL to deposit Rs. 80.38 Lakhs and the same has been deposited in May/June 2002 in the District Court, Nasik by the Head Office. The amount was paid on 5th June.2002 & 14th June 2002. On 30th March 2005 MSETCL has paid Rs. 71.73 Lakhs as interest with Hon. High Court, Bombay, as security deposit.

The case is disposed off by the High Court of Mumbai and has referred the same to the Reference Court to determine total compensation payable after hearing all parties. The contingent liability is however not quantified as the Reference Court has to determine the compensation payable under Section 23(1-A), 23(2) and 28 of the Land Acquisition Act, 1894.

6] Civil Court Ahmednagar has held in the case filed by Mr.Bahiru R. Gunjal (Late) & his descedents and ordered MSETCL to pay Rs. 14.12 Lakhs to the appellant as additional compensation for land acquisition. The land was acquired for the purpose of erection of 220 KV Kedgaon Sub Station, Ahmednagar. Against the order, MSETCL has deposited Rs. 14.12 Lakhs in the court on 08/09/2011. However, Mr. Bahiru R. Gunjal (Late) & his descedents have applied for higher compensation and the case is pending in the High Court for final decision.

The contingent liability in the case is not quantifiable.

7] Mr. Satish R. Vani & others has filed civil suit No. L.A.R.5361994 in the Civil Court, Sheogaon, claiming additional compensation for land acquired for erection of 132KV S/station at Sheogaon. The Civil Court Sheogaon has held the case against MSETCL and has ordered MSETCL to pay the additional compensation Rs. 55.40 Lakhs against which MSETCL has appealed before Hon'ble High Court for 50% of amount i.e. Rs. 27.70 Lakhs and deposited Rs. 27.70 Lakhs in the Court. After that Court permitted withdrawal of Rs. 15.00 Lakhs and balance amount Rs. 12.70 Lakhs remained with Court.

The Contingent liability in the case is Rs. 12.70 Lakhs .

8] 4310 : HVDC TLO&M Division, Chandrapur Case No.410 dt. 27.04.1993

M/s. Ganesh Engg. Company, Nagpur has filed a suit in Nagpur District Court, claiming dues of Rs. 80.95 Lakh 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 MSEP 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.

M/s Ganesh Engg. Company, Nagpur has requested Hon. High Court to give decision at the earliest, however, Hon. Court rejected the plea of M/sGanesh Engg. Co., Nagpur on 23/07/2012 and ordered to submit the papers within 10 weeks from 23/07/2012. The matter has been admitted for final hearing from 21/10/2013 and M/s Ganesh Engg. has been given time to remove the objections as a last chance within 3 weeks from Dt. 11/02/2014. The contingent liability in this case may amount to Rs. 160.35 Lakhs .

- 9]** The Micro and Small Enterprises Facilitation Council (MSEFC) passed the order dated 28th January 2010 directing MSETCL to pay total interest of Rs. 267.69 Lakhs i.e. M/s Minerva Switchgears, Nagpur Rs. 194.60 Lakhs and M/s Sigma Transformers Pvt. Ltd Rs. 73.09 Lakhs. Out of total interest claim, MSETCL has deposited Rs. 200.76 Lakhs on 26.04.2010 towards 75% of the claim with the “Principal District and Session Judge, Nagpur” while filling an appeal. The contingent liability in this case may amount to Rs. 267.69 Lakhs.

10] 1600 : EHV Constn.Circle, Amaravati

Mr. Omprakash Akherji Shrimali has filed Civil Suit No. 200799/2012 against MSETCL claiming Rs. 28.25 Lakhs towards arrears of rent, interest, electricity bill and damages due to vacating rented premises early. The same is pending at Joint Civil Judge Junior Division, Amravati. The contingent liability in this case is Rs. 28.25 Lakhs.

- 11]** Disputed Statutory Dues aggregating Rs. 22,888.00 Lakhs that have not been deposited on account of disputed matters pending before appropriate authorities are as under.

- a) The matter 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 against the ESIC Court Pune order which was in favour of MSEB. At present the matter is pending with Mumbai High Court. The contingent liability in this case is Rs. 22 Lakhs
- b) Rectification application dated 27.01.2009 for AY 2006-07 has been filed against demand of Rs.18 Lakhs vide order dated 31.12.2008 passed under section 115 WE(3) of Income Tax Act,1961 in respect of FBT. The same is pending with assessing officer. Contingent Liability in this case is Rs.18 Lakhs .
- c) Rectification Application dated 01.02.2012 for A.Y. 2008-09 is pending with Assistant Commissioner of Income Tax. The same has not been acted upon. Contingent liability in this case is Rs. 3.28 Lakhs . Furthermore proceedings are also pending before ITAT.
- d) Appeal for AY 09-10 was filed on 01.05.2014 with CIT (A) against the order dated 30.03.2014 of DCIT . The proceedings before CIT (A) are under process. Contingent liability in this case is Rs. 19,001 Lakhs .
- e) The appeal dated 15.05.2015 for the A.Y.2010-11 is pending before the Income-Tax Appellate Tribunal and the appellate proceedings before the commissioner of Income Tax (Appeals) have been completed vide order dated 10.02.2015. However the order giving effect to the same is pending . Contingent Liability in this case is Rs.3,519 Lakhs

f) Appeal dated 07.05.2015 for A.Y. 2012-13 is pending before CIT (A) against the assessment order dated 31.03.2015. Contingent Liability in this case is Rs.311 Lakhs .

12] 1120 : EHV O&M Dn. Akola

Shri Mohd.Sidiqqi was discontinued as N. M. R. for that he has filed the compensation case which the company lost at High Court, Nagpur WP/715/06. Hence SLP (Civil) Diary No. 1399 of 2016 submitted on Dt. 11.01.2016 The compensaction liability comes to Rs. 70 lakhs

13] 4710 : CCCM Dn.Nagpur Case Dated 03.03.2014

Work of construction of gantry foundation & allied Civil works at 132 K.V S/tn Hingna-II Nagpur to M/s. Unique Associates, Nagpur. Work order placed by SE(C) . WO Amt. Rs. 4566.03 Lakhs. Due to slow progress work terminated by SE(C) Agency invoked arbitration. Arbitration claim Rs. 48.13/- Lakhs. Revised claim submitted by the agency on 28.09.2015 for Rs. 65.52/- Lakhs.

14] 5720 : CCCM Dn. Jalgaon Case no. 331/2008 & RTS Appeal No. 2010. dt. 04.06.2010

Regarding decision of Commissioner Nasik for payment of Royalty charges in respect of 220KV Amalner sub-stn. Dist. Jalgaon [Royalty charges for Mard Murum from Sub-stn premises used by Cutting & Filling so as to bring both surfaces in one Level. The liability may be of Rs. 12 lakhs

15] 5720 : CCCM.Dn.Jalgaon Special Darkhast No. 03/2013 dt. 11.09.2013

Award towards additional land compensation 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. Contractor M/s.Varsha Constn.Co.Dhule. The liability may comes to Rs. 15,54,000

16] 6120 : EHV O&M Dn.II Pune : Case No. 980/2008

Fatal accident to the 2 sons of Mr. Milind Madhukar Wagh. The liability may comes to Rs. 12 lakhs

17] 6210 : EHV O&M Dn.Solapur Appeal/13013/2015 dt. 01.05.2015

The case is regarding excess Grampanchayat Tax levied by Grampanchayat, Malinagar (Defedant). The liability may comes to Rs. 20.15 lakhs

18] 7210 : EHV O&M Dn.Panvel Case No. MACP No.444/ 2008

D.C.Shah Vs Directorate of Insurance. This case is of road accident involving Vehicle (Tempo) no. MH 14 F0027 belonging to EHV (O&M) Dn.Panvel. (Dinesh Chaturbhuj). The liability may comes to Rs. 15 Lakhs. This case pending for submitting evidences of apposite party in Alibag Court

19] 7710 : CCCM Dn.Airoli Case No. 398 of 2008

The contract of construction of Chief Engineer's Bunglow & Class I Jr. at Sector-19, Vashi, Navi Mumbai was awarded to M/s. D.S. Construction, Ulhasnagar by the Suprintending Engineer (Civil) CCCM Circle, Kalyan MSEB (Now MSEDCL) 7th & final bill was not acceptable, hence the dispute was placed before Arbitral Tribunal. The arbitration tribunal finaly awarded total amount of Rs. 41,59,511.90 against various claims of the agency. Hence, Arbitration Petition No. 398/2008 in Bombay High Court. The liability may comes to Rs. 41.59 lakhs

20] All Zone Land Compensation, Crop Compensation and ROW Cases Pending F.Y. 2015-16

1) Amravati Zone

[Rs. In Lakhs]

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
	NIL	NIL	NIL	NIL	NIL	NIL

2) Auragabad Zone

1	2630	EHV Construction Division Nanded	District Magistrate Nanded	Shankar Laxman Dhang & Other 19	10.00	-
2	2630	EHV Construction Division Nanded	District Magistrate Nanded	Shri Dadarao Purbhaji Mungal & 15 Other	20.00	-
3	2630	EHV Construction Division Nanded	District Magistrate Parbhani,	Chander P. Kasture & Others i/r of 400KV Chandrapur-Parli line.	10.00	-
4	2630	EHV Construction Division Nanded	High court Aurangabad	Shri.Pravin Nagnathrao	10.00	-
5	2630	EHV Construction Division Nanded	MERC, Mumbai	Paldewar . Vikram Shivaji Mugal & others	10.00	-
6	2720	EHV CCCM Division Parbhani	Hon. High court bench Aurangabad	Shri. Gangadhar Nagnath Kondawar and Shri Shankar Nagnath Kondawar r/o Kundalwadi	17.32	0.33
7	2720	EHV CCCM Division Parbhani	Hon. High court bench Aurangabad	Shri. Namdev Ramji Gudetwar r/o Himayatnagar Dist.Nanded.	20.06	0.06
8	2720	EHV CCCM Division Parbhani	Hon. C.J.S.D. Court Gangakhed.	Anantrao K Ambekar Through LRS Smt. Ushatai A Ambekar & others.	43.16	-
9	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	Veermath Sansthan Trust., Ahmedpur Dist. Latur	107.00	10.80
10	2730	EHV CCCM Division Latur	Dist. Court Osmnabad	Smt. Pushpabai Vijaysingh Raje	25.00	-
11	2730	EHV CCCM Division Latur	Hon. Supreme Court, Delhi.	Rajendra N Gaikwad, Beed	79.26	-
12	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	1) Haidarsab S/o Kasimsab Shaikh 2) Husensab S/o Haidarsab Shaikh 3) Abdulrheman S/o Haidarsab Shaikh 4) AmirS/oHaidarsabShaikh	1,072.00	100.00
13	2730	EHV CCCM Division Latur	Dist. Court Latur	Sambappa Shankarappa Raut & others	125.00	-
14	2730	EHV CCCM Division Latur	CJSD Nilanga	Smt. Kamlabai Govindrao Patil	43.07	43.07

3) Nashik Zone

1	5710	EHV CCCM Dn. Nashik	High Court, Bench, Aurangabad	Mr.R. C. Nawandar & others	79.71	79.71
2	5710	EHV CCCM Dn. Nashik	High Court, Bench, Aurangabad	Heirs of Late Bahiru Raghinath Gunjal	9.06	14.12
3	5710	EHV CCCM Dn. Nashik	High Court, Bench, Aurangabad	S. R. Wani & Others	6,435.00	27.70
4	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Mr.P.N. Patil & others 3, Shahada	10.25	9.97
5	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Late Mr. R. C. Agrawal, Chopda & Its Legal Heirs.	39.52	17.76
6	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Mr. K. B. Chavan, Chopda	14.52	6.51
7	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Shri Daga Shripat Patil, Parola	14.35	14.35
8	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Shri Rama Shripat Patil, Parola	12.22	12.23
9	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Shri Prakash S. Patil, Parola	18.23	18.23
10	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Mohd. Ali Hussain Ali Chopada Dist. Jalgaon.	84.14	21.04
11	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Mr. R. G. Patil & Shri. C. G. Patil -- Shahada.	75.94	-
12	5720	EHVCCCM DN JALGAON	High Court, Bench, Aurangabad	Smt.Parvatabai R. Mahajan & Others 2	75.00	-
13	5720	EHVCCCM DN JALGAON	Civil Judge JD. Sakri	Smt.Sindhubai V Patil & Others.	10.00	

4) Nagpur Zone

1	4610	EHV Const. Dn-I, Nagpur	High Court Bombay at Bench Nagpur	Smt. Kalpana Jain (Ravindra Rukhabdas Jain Gahankari) Vs. MSEB	24.52	4.84
2	4610	EHV Const. Dn-I, Nagpur	District Judge-7, Nagpur	Shri Bhudev C. Wandhe	220.00	-
3	4610	EHV Const. Dn-1, Nagpur	District Judge Nagpur	Shri Devanad Dattuji Awale	300.00	-
4	4610	EHV Const. Dn-1, Nagpur	District Judge Nagpur	Smt Anusaibai Dattuji Awale	750.00	-
5	4610	EHV Const. Dn-1, Nagpur	Distt. Judge, Wardha	Shri Ashok Shyamsunder Agarwal & 02 others	395.66	-
6	4610	EHV Const. Dn-I. Nagpur	District Court Civil, Nagpur	Shri Harish Daulatrao Ramteke	800.00	-
7	4610	EHV Const. Dn-1, Nagpur	District Judge No 3, Nagpur	Smt Sunanda Dhanraj Bhalerao	400.00	-
8	4610	EHV Const. Dn-I. Nagpur	High Court Nagpur Bench	Shri.Ramchandra Jagannath Kulkarni & others	70.37	-
9	4630	EHV,Const.Dn.Cha ndrapur	District Judge-1 Warora	Shri Mahadeo Jiotode	90.00	-
10	4630	EHV,Const.Dn.Cha ndrapur	District Judge-1 Warora	Sau.Suman Maroti Jiotode	60.00	-
11	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc Distt Judge. Nagpur	Maharashtra State Textile Corporation V/S MSETCL Compensation of amount under award date 14.06.2000 in respect of land at Jattarodi	615.00	-
12	4710	EHV CCCM DIVISION, NAGPUR	Civil Judge Sr Dn..Nagpur	M/s Vijay Wargi & Sons V/S MSETCL - Claim for 220KV S/stn Umred	26.53	-
13	4720	Office of the Executive Enginneer (Civil)EHV CCCM Division, MSETCL, Chandrapur	Court of Sub -Divisional Officer Hinganghat	MSETCL VS Tahasildar Samudrapur	15.55	5.51

5) Pune Zone

1	6610	Executive Engineer,EHV Constn.Dn-1,Pune	Civil Judge Jr.Dn.at Sasawad	Mr.Gorakhranath Madadeo Misal		
2	6610	Executive Engineer,EHV Constn.Dn-1,Pune	In the Court of Hon Civil Judge Jr. Div.Pune.	Bharatlal Rupchand Dharmawat		
3	6620	Executive Engineer,EHV Constn.Dn-II,Pune	Civil Court Tal.Karad Dist Satara District Court Karad	Shankar Pandurang Karnale (Pawar) Karad		
4	6620	Executive Engineer,EHV Constn.Dn-II,Pune	Civil Court,Junner	Shri.Ramchandra N.Shegar		
5	6620	Executive Engineer,EHV Constn.Dn-II,Pune	Civil Court,Pune	Mrs.Ashalata Rama ChandvaDhongade,Pune		
6	6620	Executive Engineer,EHV Constn.Dn-II,Pune	Civil court,Pune	Mrs.Sandhya Parage Binde,Pune		
7	6630	Executive Engineer,EHV Constn.Dn-III,Solapur	District & Session Court Tuljapur	Navanath Dyanu Mohite		
8	6630	Executive Engineer,EHV Constn.Dn-III,Solapur	High Court Aurangabad	1) Kureshi Maimuddian A Hakim 2) Kureshi Mehamudadi A Hakim 3) Kureshi Najamoddin A.Hakim 4) Kureshi Nasir A Hakim 5) Kureshi Saied A Hakin		
9	6630	Executive Engineer,EHV Constn.Dn-III,Solapur	Session Court Mangalweda	1.Vandana Dembhare. 2.Shubhangi Dembhare. 3.Pragati Dembhare		
10	6710	EHV Civil Const. Cum Maint. Division, Solapur.	District Court Solapur	Sou. Sulochana P. Birajdar, Solapur.	10.00	-
11	6720	EHV CCCM DIVISION PUNE	Supreme Court	Shabbir 'A' Sabuwala	73.87	

6) Vashi Zone

	NIL	NIL	NIL	NIL	NIL	NIL
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7) Karad Zone

	NIL	NIL	NIL	NIL	NIL	NIL
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8) SLDC Kalwa

	NIL	NIL	NIL	NIL	NIL	NIL
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54 Interest During Construction (IDC)

Interest during construction of Project is not charged to revenue & it is capitalised. Due care has been taken in identifying the projects which are under construction and interest is calculated at weighted average rate of interest on the debt quantum in capital expenditure. The calculation of IDC has been consistently made as in the past, using the same parameters.

55 Other Notes

- a) Balances of sundry debtors, loans and advances are subject to confirmation and reconciliation if any. The Company is taking necessary steps for reconciliation and confirmation of the same. Major portion of trade receivables of the company during F.Y. 2015-16 is from MSEDCL which is approx. Rs.2,32,605.75 Lakhs which company recovers through STU and normally dues from MSEDCL is recovered partly but regularly and on an average approximately Rs.20,000 Lakhs is been received p.m. and due to recent tariff order, since transmission charges is reduced to almost 50% , the current O/S balance from MSEDCL will be reduced in future.
- b) In the opinion of the board, the current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated otherwise in the Accounts.
- c) Previous year's figures 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.
- d) VAT refund will be accounted for in the books as and when received.
- e) Ultimate realisation of Delayed Payment Charges is uncertain. Therefore, for the F.Y. 2015-16 DPC amounting to Rs. 83,495 Lakhs has not been booked. Major portion of this is from MSEDCL.
- f) Quoted value of Investment in Government Securities as on 31.03.2016 is Rs. 50,668.37 Lakhs.
- g) As per section 135 (5) of the Companies Act, 2013, the Board of every company referred to sub-section (1), shall ensure that the Company spends in every F.Y. at least 2% of the average net profit of the company made during the immediately three preceeding Financial Years in pursuance of its CSR policy, the expense on Joint CSR activities during the FY 2015-16 is NIL. However provision of Rs.4452 Lakhs have been made.

As per our report attached
For Jain Chowdhary & Co.
 Chartered Accountants
 ICAI FR No. 113267W

Sd/-
Siddharth Jain
 Partner
 M. No 104709

Place : Mumbai
 Date : 27th Sept. 2016

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Santosh J Amberkar
 CGM (F&A)

Sd/-
Omprakash K Yempal
 Director (Operations)

Sd/-
Vinayak Sathe
 Director(Finance)

Sd/-
Rajeev Kumar Mital
 Chairman & Managing Director

Sd/-
Ravindra D Chavan
 Director (Projects)

Sd/-
Vineeta Shriwani
 Company Secretary