

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
9th Annual Report for the period of 2013-14

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MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

9th Annual Report for the period of 2013-14

BOARD OF DIRECTORS

Shri Bipin Shrimali
Chairman & Managing Director
(Ceased w.e.f. 06.01.2015)

Shri Ajoy Mehta
Principal Secretary (Energy)
Nominee Director
(Ceased w.e.f. 03.01.2015)

Shri Pratap G. Mohite
Director (Finance)

Shri Omprakash K. Yempal
Director (Projects)
(Ceased w.e.f. 26.05.2014)

Shri Omprakash K. Yempal
Director (Operations)
(w.e.f. 26.05.2014)

Shri Prakash V. Page
Independent Director
(w.e.f. 19.08.2014)

Smt. Pushpa R. Chavan
Independent Director
(w.e.f. 26.06.2014)

Shri Azeez Mehdi Khan
Independent Director
(Ceased w.e.f. 11.06.2014)

COMPANY SECRETARY

Dr. Jyoti Arora

STATUTORY AUDITORS

Jain Chowdhary & Co.
Chartered Accountants
Mumbai

REGISTERED OFFICE

“Prakashganga”, Plot No.C-19,
E'- Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

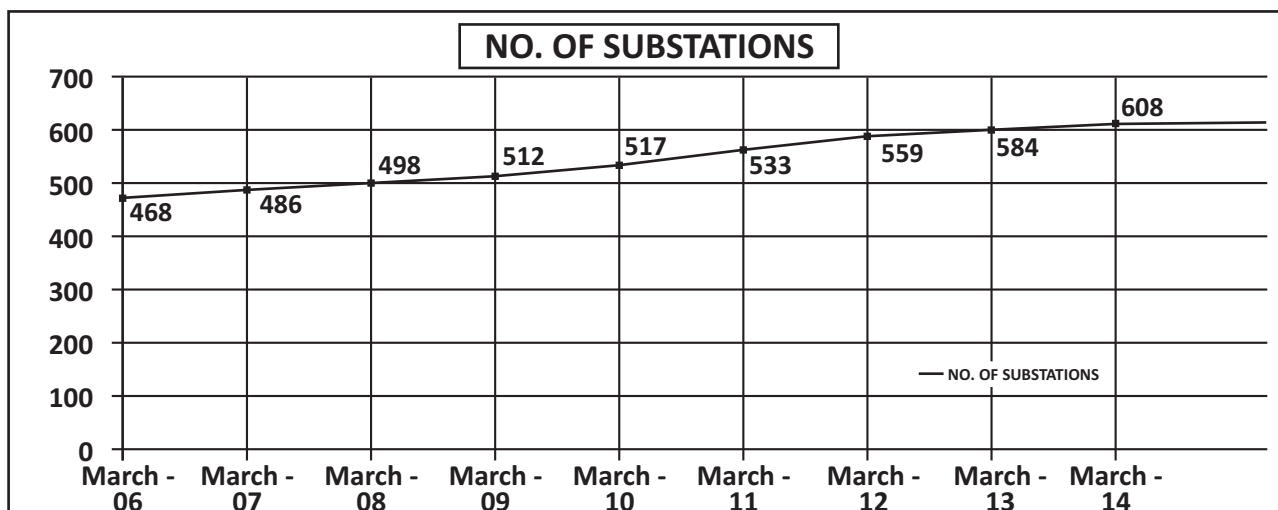
DIRECTOR'S REPORTS

To,
The Members,

Your directors are pleased to present the NINTH ANNUAL REPORT together with Audited Accounts for the financial year ended on 31st March, 2014.

Journey of the Company From Company formation to March, 2014

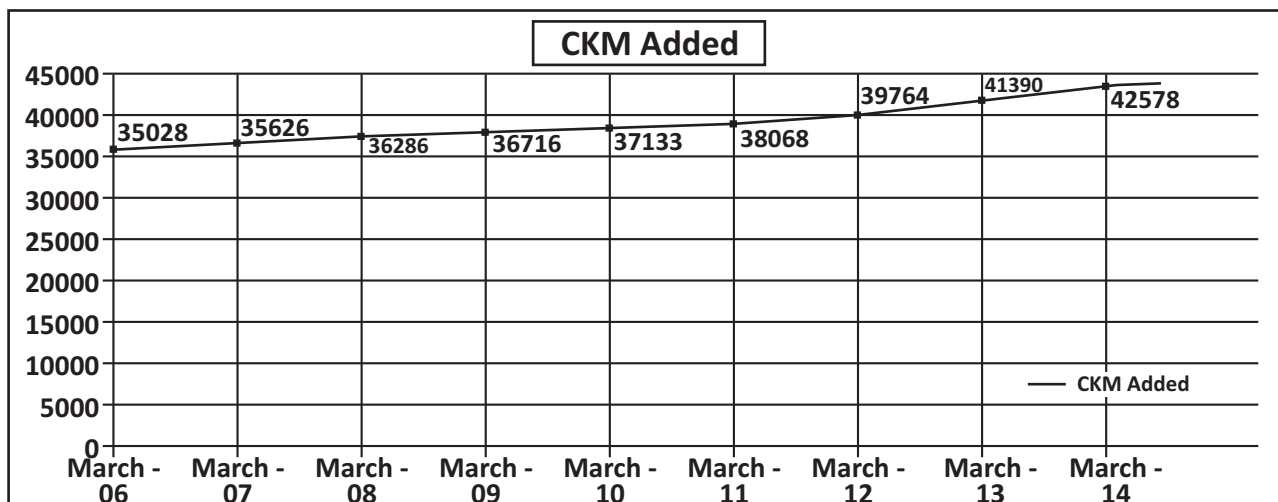
In terms of sub-station growth: We have built and own 608 Nos. of substation as on 31st March, 2014 in comparison to 468 nos. of substations in March, 2006 showing a compounded annual growth rate (CAGR) of 3.33%. Each new substation is being added not only to cater the demand but to give reliable & quality power on 24 x 7 basis along with the stability of network as well as reducing the losses.



The Voltage class wise total nos. of substations existing in MSETCL Network from 2005-2006 till 31st March 2014 is as under:

Sr. No.	Voltage Class	No. S/S Available as on	
		March - 2006	March - 2014
1	66 kV	42	34
2	100 kV	25	37
3	110 kV	31	34
4	132 kV	217	283
5	220 kV	134	192
6	400 kV	17	26
7	500 kV HVDC	2	2
TOTAL		468	608

In terms of Transmission Lines Growth: We own a vast network of EHV transmission lines ranging from 66kV to 400kV & 500 kV HVDC. Earlier in March 2006, we had only 35028 Ckm of transmission lines. Today, the transmission network had expanded to 42578 Ckm ranging from 66kV to 400 kV and 500kV HVDC lines as on 31st March 2014 with CAGR of 2.47 %.



The voltage class wise growth from 2005-2006 till March 2014 is as under:

Sr. No.	Voltage Class	Existing Network (Ckm) as on	
		March - 2006	March - 2014
1	66 kV	3270.00	3270.00
2	100 kV	678.00	697.146
3	110 kV	1637.00	1738.25
4	132 kV	10084.61	13210.70
5	220 kV	11478.28	14469.44
6	400 kV	6375.74	7688.46
7	500 kV HVDC	1504.00	1504.00
	TOTAL	35027.61	42578.00

This shows that we have achieved an equal growth rate in adding Nos. of substation as well as Ckm of transmission lines.

(1) Project Planning & Achievement for the year 2013-14

Voltage Class	2013 - 14			
	Substation		Transmission Lines (Ckm)	
	Planned	Actual	Planned	Actual
500 kV HVDC	0	0	0	0
400 kV	3	1	569.81	120.069
220 kV	11	10	693.733	618.463
132 kV	11	12	386.69	434.943
110 kV	0	0	0	14.25
100 kV	0	1	0	0
66 kV	0	0	0	0
TOTAL	25	24	1650	1187.725

- Total 25 Nos of Substation of various voltage levels were planned for construction during the FY. 2013-14 and we have successfully achieved 96% of this target which shows our growth compared to previous year.
- Similarly out of 1650 Ckm of transmission lines planned, we erected 1187.725 Ckm till March 2014 . We have achieved 72% of this target.
- The EHV sub - stations commissioned during the year 2013-14 are :

Sr. No.	Name of the Substation	MVA Added	Date of Commissioning
1.	220KV Asian colour Coated	Only bay	01.04.13
2.	132 KV Bhima SSK	Only bay	01.04.13
3.	132 KV Vighnagar SSK	Only bay	01.04.13
4.	100 kV Namco S/S	Only bay	01.04.13
5.	220kV Kathapur S/S 220/132kV 100 MVA ICT	200	29.04.13 05.07.13
6.	132kV Jath (Vaspeth) S/S 132/33kV 50 MVA T/F	200	08.06.13 15.07.13 24.03.14
7.	220 Kv Wayphale S/S 220/33 kV 1 x 50 MVA T/F	50	01.08.13
8.	132/33 kV Aranvihar S/stn 132/33 kV 50 MVA T/F	50	04.09.13
9.	132/33 kV Kombhalne S/S 132/33 kV 50 MVA T/F	50	10.10.13
10.	132kV Seloo S/stn 132/33kV 2 x 25 MVA T/F	50	11.11.13 (Charged through 132KV SCDC line from 132KV Seloo S/stn to M/s Mahatma Sugar Premises at Jamni- ORC)
11.	400kV Chandrapur Switching S/S	Only bay	17.01.14
12.	220kV M/s Inox	Only bay	20.01.14
13.	132 KV Tung S/S 132/33kV 1 x 50 MVA T/F	50	23.01.14
14.	132-110 KV Kaledhone S/S 132/33kV 1 x 50 MVA T/F	50	27.01.14
15.	220kV Mahuli Switching S/S	---	31.01.14
16.	220/132kV Kalwan 220/132kV 100 MVA T/F 220/33kV 50 MVA T/F	150	28.02.14 (Back Charge through LILO on 132kV Kalwan Satana which is charged on 21.04.12)
17.	220/132Kv Warud S/Stn 220/132 Kv 2 x 100 MVA ICT	200	28.02.14 (Back Charge through 132kV LILO on Morshi Warud SCSC Line which is charged on 28.02.14)
18.	220kV Pimpalgaon S/Stn 220/132kV 1 X 100 MVA ICT	100	20.03.14 (Back Charge through Reorientation of 132kV Pimpalgaon dindori D/C line ckt No.1 CHARGED ON 15.03.14)

Sr. No.	Name of the Substation	MVA Added	Date of Commissioning
19.	132kV Padegaon TSS S/Stn	Only Bay	27.03.14
20.	132kV Ghodegaon S/Stn 132/33kV 2 X 50 MVA T/F	100	28.03.14 (Back Charge through 33kV Pandharipul Ghodegaon line)
21.	132kV Samruddhi SSk	Only Bay	29.03.14
22.	220kV Kopergaon S/S 220/132kV 2X 200MVA ICT 220/33kV 2X 50 MVA T/F	500	29.03.14
23.	132kV Murtizapur S/Stn 132/33kV 2 X 25 MVA T/F	50	30.03.14
24.	220kV Deogaon Rangari S/S 220/132kV 100 MVA ICT 220/33kV 50 MVA T/F	150	31.03.14

- The vital EHV transmission lines commissioned during the year 2013-14 are:

Sr. No.	Name of EHV lines	Ckt Km.	Date of Commissioning
1.	132KV S/C D/C line from Niwali S/S to Vikas Sahakari Sakhar Karkhana Ltd.	0.61	01.04.13
2.	Reorientation of 220KV Dhule Dondaicha Line for 400/220KV ICT Aug work at Kundane Dhule	1.53	01.04.13
3.	Reorientation of 220KV Dhule Chalisgaon Dondaicha line for 400/220KV ICT Aug work at Kundane Dhule	1.05	01.04.13
4.	220KV LILO on 220KV Deepnagar Amalner transmission Line	15.6	01.04.13
5.	220KV D/C line from PGCIL- south Solapur (IInd Ckt)	5.45	01.04.13
6.	220KV Urse talegaon line(IInd Ckt)	9.436	01.04.13
7.	One ckt of 132KV DC line from cogeneration project of M/S Urjankur Shree Tatyasaheb Kor Warana Power Co. Ltd At Warananagar	11.58	01.04.13
8.	2nd ckt for 132KV rashin s/s	29.5	01.04.13
9.	220kV Jalna Chikhali Ckt II Line	90	01.04.13
10.	LILO on 132KV kopergaon Vaijapur Line for Kopergaon TSS	5.94	01.04.13
11.	132KV Bhokardhan Rajur Line	26	01.04.13
12.	132KV Washim Jambazar Line	41.5	01.04.13
13.	220KV interconnecting line between parli 8 th Unit and Parli 7 th Unit	1.1	01.04.13

Sr. No.	Name of EHV lines	Ckt Km.	Date of Commissioning
14.	LILO on 400KV Koiradi I (Old) to Indiabulls	6.774	01.04.13
15.	220KV Kharghar Kalwa Line	89.034	17.04.13 (Partially Completed)
16.	220KV Ahmednagar Bhose Line Ckt 1	47.46	23.04.13
17.	1 st Ckt of 220KV Ionand bothe Line from 220KV Phaltan MIDC to 220kv Bothe S/S (ORC)	32.401	20.04.13
18.	220KV Ahmednagar Bhose Line Ckt 2	47.464	07.05.13
19.	Diversion of 400KV Koradi-Kalwa Ckt-II (Bhusawal-Aurangabad) Line at Jalgaon due to submergence of Wagur Dam	2.1	09.05.13
20.	220KV D/C Line from Talegaon MSETCL to Talegaon PGCIL	3.032	21.05.13
21.	Diversion of 400KV Koradi-Kalwa Ckt-I (Bhusawal-BBLR) Line at Jalgaon due to submergence of Wagur Dam	1.94	23.05.13
22.	400 KV Warora Chandrapur D/C Line	91.414	29.05.13
23.	132KV Amravati Achalpur Circuit Diverted Line	1.73	05.06.13
24.	132KV Amravati Chandur Bazar Ckt Diverted Line	1.73	05.06.13
25.	220KV Hinjewadi II to 220KV Infosys Line	0.4	15.06.13
26.	132KV Amalner Nardane Line	34.46	29.06.13
27.	220KV Mhaisal Jath D/C line	134.218	29.06.13
28.	220KV LILO on GCR Gadchandur D/C line for M/S Grace Industries	2	13.07.13
29.	2nd ckt stringing of 220 KV Vita-Ghatnandre line from vita s/s end to Loc. No. 56	23	24.07.13
30.	220 KV DC line from Wayphale s/s site to Loc no. 56 of Vita-Ghatnandre line	2	24.07.13
31.	400KV DC line single ckt from Chandrapur II to Dhariwal	10.25	29.08.13
32.	2nd Ckt stringing of 220 KV Sadawaghapur - Karad line from Sadawaghapur end.	30	30.08.13
33.	132KV DCDC Oglewadi Kale (T)	15.934	03.09.13
34.	LILO on 132kv Pandharpur Mangalveda Line for M/s Welspun	0.66	25.09.13
35.	132KV DC Akole Khirvire (Kombhalne) line (Ckt II)	21.36	10.10.13
36.	Ckt.I of 132 KV LILO line from Loc. No. 77 of existing 110KV Miraj-Kurundwad line up to Co-gen project switchyard (MSETCL side)	6.831	23.10.13
37.	LILO on 132KV Walchandnagar Indapur Line for M/S Karmayaogi Shakraoji Patil SSK	4.992	07.11.13
38.	LILO on 132KV Babhaleshwar Newasa For co- generation project of Ashik Sahakari Sakhar Karkhana	2.6	9.11.12

Sr. No.	Name of EHV lines	Ckt Km.	Date of Commissioning
39.	132KV SCDC line from 132KV Seloo S/stn to M/s Mahatma Sugar Premises at Jamni	13.4	11.11.13
40.	132KV SCDC line from M/s Majalgaon Sugar SSK to 132KV Talegaon S/S	1.65	18.11.13
41.	220KV Dasgaon-Panama-Pedhambe LILO line from 220 KV Palsi (Nerle) S/S	0.7	27.11.13
42.	Shifting of 400 KV Parali-I from existing 400 KV Lonikand-I s/s to Lonikand-II s/s.	0.793	30.11.13
43.	400 KV interconnection between existing 400 KV Lonikand-I s/s to Lonikand-II s/s.	0.46	30.11.13
44.	Shifting of 132KV Dhule Nardane S/C Line i.e at loc No.77 & 86 along with existing 132kv Dhule Nardane Line	3	07.12.13
45.	Conversion of 132KV S/C to D/C line from Yawat Tap to Daund	32.88	14.12.13
46.	132 KV LILO line on 110 KV Puikhadi-Kale line for Co-gen project of Kumbhi Kasari SSK Ltd. Kuditre Tal Karveer Dist. Kolhapur	3.368	23.12.13
47.	LILO on 220KV K'kheda Wardhafor 220KV Butibori III	3.004	30.12.13
48.	132 KV LILO line on 110 KV Vishrambagh-Ashta line for 132 KV Tung S/S	1.064	31.12.13
49.	400KV line from 400KV Chandrapur II S/S to Chandrapur Switching S/stn	4.414	07.01.14
50.	LILO on 132KV Girwali Kaij Line for M/s Yedeshwari Agro Products Pvt Ltd.	0.4	17.01.14
51.	220KV line tap line from MSL to M/s Inox	2.8	20.01.14
52.	One ckt. of 220 KV Tap line on 220 KV Vita-Lamboti for Mahuli S/S	1.461	25.01.14
53.	400KV CHD-II to 400KV GCR Chandrapur section of LILO on 400 KV D/C Chandrapur-Parli (Ckt-II).	1.584	25.01.14
54.	132 KV LILO line on 110 KV Oglewadi-Dighanchi line for 132-110 KV Kaledhone S/S	2.522	27.01.14
55.	132KV LILO ON 132KV Gangakhed Sonpeth line	7	08.02.14
56.	132KV LILO on Morshi Warud SCSC line for 220KV Warud S/S.	8.165	28.02.14
57.	Reorientation of 132KV Pimpalgaon dindori D/C line ckt No.1 for 220KV Pimpalgaon S/S	8.23	15.03.14
58.	110 KV S/C on D/C line from 110 KV Chambukhadi S/S to Loc. No. 32 (i.e. evacuation point) of 110 KV Chambukhadi-Kale line	10.75	15.03.14
59.	One Ckt. of 110 KV LILO line from Loc. No. 32up to Co-gen plant of M/s. Shri Datta Sakhar Karkhana Ltd. Asurle Porle	3.5	15.03.14

Sr. No.	Name of EHV lines	Ckt Km.	Date of Commissioning
60	132KV LILO on existing 132KV SC Narsi Degloor line at 220kv Narsi S/S.	15.48	20.03.14
61.	132 KV S/C on D/C line from 110 KV Dighanchi S/S to M/s.Sri Sadguru Sahakari Sakhar Karkhana, Rajewadi alongwith its end bays at 110 KV Dighanchi S/S & Karkhana premises	11.03	20.03.14
62.	LILO on 220KV Pusad Nanded line for Ghatodi S/s	32.682	21.03.14
63.	LILO on 132KV s/c Theur Yawat line for M/s Fenace Auto Ltd at Nandur	15.106	25.03.14
64.	LILO on 132KV Walchandnagar Bawada line for evacuation of power from cogen plant at M/s Nira Bhima SSK	6.06	26.03.14
65.	2nd Ckt of 220 KV LILO line on Vita-Pandharpur line for 220 KV Hiwarwadi S/S	5.981	26.03.14
66.	LILO on 132KV Babhaleshwar Newasa Line for 132kv padegaon TSS S/S	11.646	27.03.14
67.	132KV Sillod Soygaon SCDC line	34.72	28.03.14
68.	132kv Ghansawangi to M/s Samruddhi Ssk line	12.98	29.03.14
69.	ckt 1 of D/C Tap on 220kv Babhaleshwar Chalisgaon Line for Kopergaon S/S	10.66	29.03.14
70.	132KV Akola Murtizapur Ckt I of DCDC line	40.815	30.03.14
71.	Interconnection between LV bay of 400/220kv 500 MVA ICT 1 at 400kv Kalwa S/S to 220kv Kalwa S/S.	0.34	30.03.14
72.	220KV LILO on Waluj Babhaleshwar Line	26	31.03.14

Improvement in Substation Engineering & transmission Line Engineering:

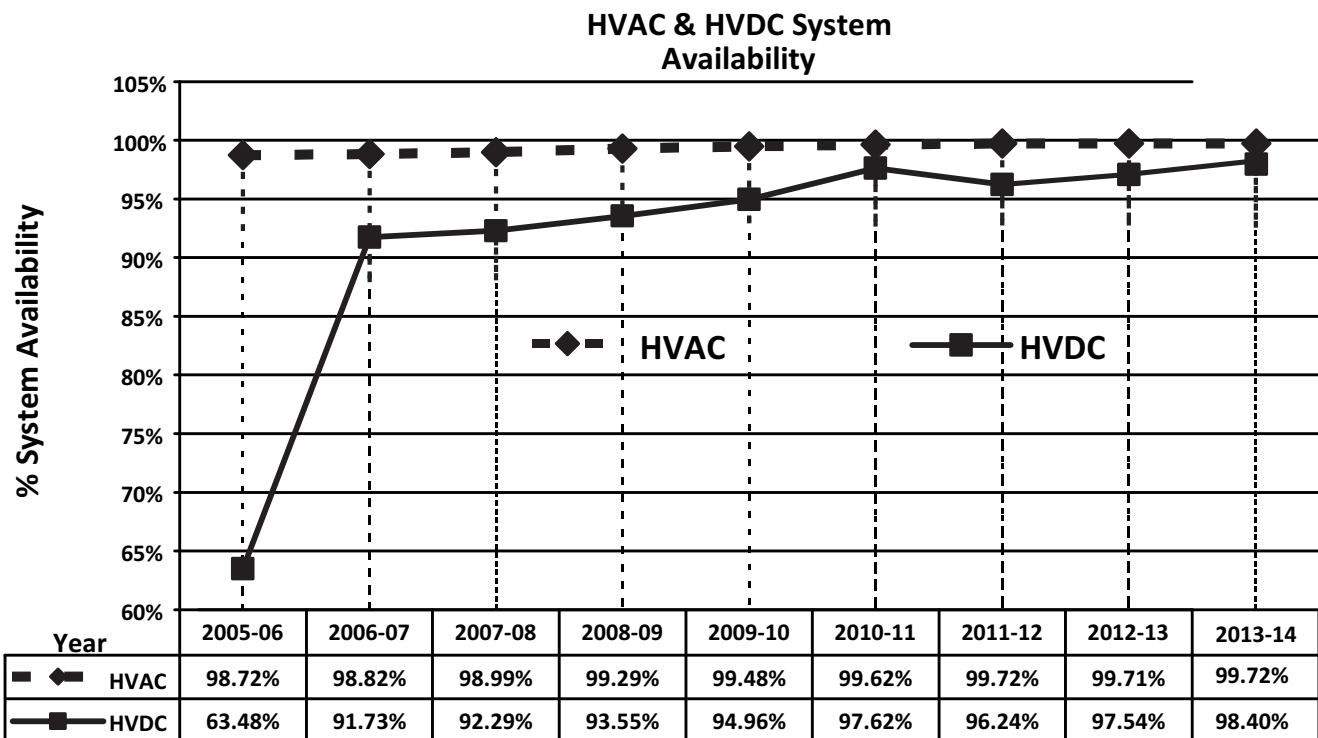
- ❖ BCU based Substation automation system for EHV Class substation.
- ❖ Online condition monitoring technique for EHV equipment.
- ❖ Monopole Design for EHV line.
- ❖ Line signature analysis for EHV transmission Lines.
- ❖ Integrated new technologies in EHV class transformer and EHV lines as-
 - ✓ Nitrogen injection fire protection system. (NIFPS)
 - ✓ Fiber optic sensor for temperature measurement.
 - ✓ Online gas & moisture measurement system.



Adaption of new technologies in transmission system.

- ❖ Gas Insulated substation (GIS) for 132kV to 400 kV Substations.
- ❖ Hybrid switchgear technology for 132kV & 220kV sub-station.
- ❖ Optical Fiber Ground Wire (OPGW) for communication & protection system –Pilot project on FOTE.
- ❖ Geographical information System for mapping of transmission assets.

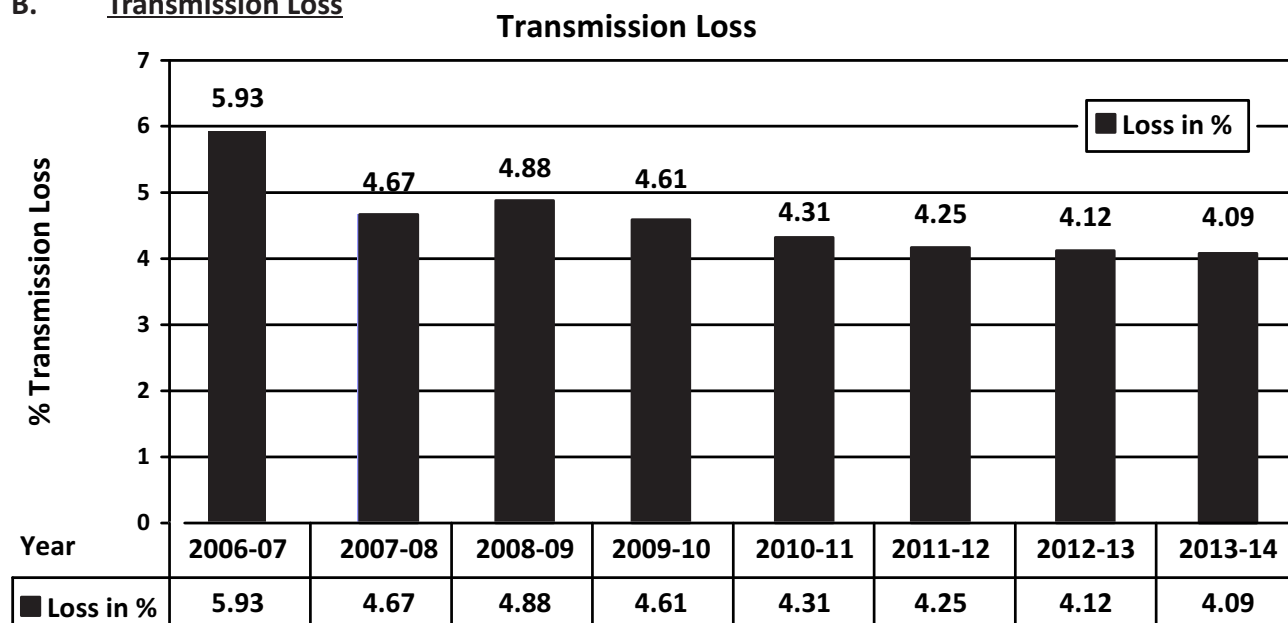
A. HVAC and HVDC System availability from 2005-2006 to 2013-2014



HVAC (High Voltage Alternate Current System) & HVDC (High Voltage Direct Current System) Availability Achievement from FY 2005-2006 to 2013-2014.

F.Y.	HVAC	HVDC
2005-06	98.72%	63.48%
2006-07	98.82%	91.73%
2007-08	98.99%	92.29%
2008-09	99.29%	93.55%
2009-10	99.48%	94.96%
2010-11	99.62%	97.62%
2011-12	99.72%	96.24%
2012-13	99.71%	97.54%
2013-14	99.72%	98.40%

B. 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

The Transmission loss of 4.09% in the year 2013-2014 is reduced as compared to previous years and it is one of the best among utilities across the country.

Present Transmission Network and Related Data

(As on 31/03/2014)

Voltage level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
500KV HVDC	2	3582	1504
400KV	26	22280	7468.36
220KV	193	45733	14587.64
132KV	282	25554.50	13312.84
110KV	34	2699	1738.25
100KV	37	2610	697.15
66KV	34	1144	3270
TOTAL	608	103602.50	42578.25

Present Transmission System & Availability & Losses 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 (Upto Oct-14)
Avail	98.72%	98.82%	98.99%	99.29%	99.48%	99.62%	99.72%	99.71%	99.72%	99.67%
HVDC System(MERC Benchmark 92%)										
Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (Upto Oct-14)
Avail	63.48%	91.73%	92.29%	93.55%	94.96%	97.62%	96.55%	97.54%	98.40%	96.81%

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 (Up to October-14)	4.11%	79647	76372

11th FIVE YEAR PLAN

MSETCL - Five Year Investment in Transmission Infrastructure (2007-08 to 2011-12)							
Sr. No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	Total
1	New Substations (Nos.)	12	14	5	16	24	71
2	A. MVA Addition due to New Substations	587	1125	465	1720	2400	6297
	B. MVA Addition due to Additional Transformers	1785	2200	3460	2850	4825	15120
	C. MVA Addition due to Replacement of Transformers	1445	1263	3748	4257	1600.5	12313.5
	Total MVA Addition (a+b+c)	3817	4588	7673	8827	8825.5	33730.5
3	EHV Lines (Ckm)	660	430	417	935	1696	4138
4	Capital Expenditure (₹ in Crore)	1114	1241	2363	2939	2664	10321

12th FIVE YEAR PLAN

MSETCL - Five Year Plan for Transmission Infrastructure (2012-13 to 2016-17)							
Sr. No.	Particulars	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Proposed)	2015-16 (Proposed)	2016-17 (Proposed)	Total
1	New Substations (Nos.)	25	24	32	34	16	131
2	A. MVA Addition due to New Substations	2225	1950	8900	7780	12580	33435
	B. MVA Addition due to Additional Transformers	4935	2850	550	200	475	9010
	C. MVA Addition due to Replacement of Transformers	1111.5	636.5	420	235	500	2903
	Total MVA Addition (a+b+c)	8271.5	5436.5	10023	8215	13555	45501
3	EHV Lines (Ckm)	1626	1187.73	4571	4315	6611	18310.73
4	Capital Expenditure (₹ in Crores)	2300	1580	1597	1841	3885	11203

Proposed Capital Expenditure (₹ in Crs) :- 2013-14 to 2016-17

Particulars	2013-14	2014-15	2015-16	2016-17
Ancillary incl. C.O. and other	102	69	113	46
Civil work	3	112	194	0
Evacuation	139	95	84	817
Life Extension	78	50	104	220
Link Lines	206	246	218	956
Sub-stations with associated Lines	939	896	934	1846
Transformer Addition	69	71	145	0
Transformer Replacement	44	58	49	0
Total	1580	1597	1841	3885

Details of Ongoing Projects

- Mumbai transmission network strengthening- To enable capacity addition of about 900MW, by conversion of 220KV Kharghar- Kalwa- Borivali- Boiser Double circuit with Multi circuit AAAC twin conductor on narrow base towers & additional two circuits of AAAC conductor on above Multi circuit towers. Forest clearance for IInd stage is approved recently.
- 400KV GIS at Hinjewadi and 765kV S/S at Aurangabad.
- JICA phase –II : LE schemes for replacement of CB, CT, PT, LA, Isolators etc. at 95 EHV S/S in 15 Districts of Western Maharashtra. Completion planned by March, 2015.

(2) State Grid Operation

State Load Dispatch Centre

The State Load Dispatch Centre is the nerve centre for Real Time Operation by monitoring & controlling of Power System including major Grid operational activities such as Pre-Dispatch Activity, Generation Scheduling and DISCOMS Demand Scheduling. In addition to this, real time operations in respect of controlling frequency & voltage i.e. line flows and Generator Regulation to ensure healthiness of the State Grid and ensure economical power to the State of Maharashtra. SLDC is carrying out state energy accounting, intra-state utility balancing and settlement under intra-state ABT mechanism, settlement of inter-state unscheduled Interchange (UI) bills 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.

Highlights for the FY 2013-14 are as under :

1. Max. demand catered was 18803 MW in the month of March 2014.
2. Average frequency remained 50.18 Hz during the year (Max. frequency noted in May 2013 at 50.98 Hz and min. frequency was noted in May 2013 at 49 Hz.)
3. Total of 1,25,942 MUs Energy Demand was catered.
4. All figures are operational and based on SCADA data.

Major Achievements

1. Web based scheduling with Merit Order dispatch principle implemented w.e.f. 01.08.2011
2. State Energy Accounting and UI Pool Account as per Final Balancing and Settlement Mechanism on 15 min. time block basis implemented w.e.f. 01.08.2011.
3. Renovation and Modernization of ALDC Ambazari building completed.
4. Pilot project of Wide Area Measurement (WAMS) System comprising of 15 nos. Phasor Measurement Units (PMUs) has been implemented.

Central Sector Units declared COD in FY 2013-14

Unit	Capacity in MW	MSEDCL share in MW	Date of COD
MSTPS STG-I (Unit # 2)	500	207	29-Mar-14
VSTPS STG-IV, (Unit # 12)	500	157	27-Mar-14
Total	1000	364	

Generation capacity addition during FY 2013-14 in MW

Particulars	Unit No.	Addition in MW.	Remarks
State Sector			
MAHAGENCO	BHUSAWAL Unit no. 5	500	COD on 3-Jan-15
IPP's			
M/S VIPL, Butibori	Unit no. 2	300	COD on 4-Apr-13
M/S IEPL, Bella	Unit no. 1	270	COD on 27-May-13
M/S APML, Tiroda	Unit no. 3	660	COD on 14-Jan-13
M/S Dhariwal Infrastructure	Unit no. 1	300	COD on 11-Feb-14
M/S VIPL, Butibori	Unit no. 1	300	COD on 28-Mar-14
M/S INDIABULLS	Unit no. 1	270	COD on 03-Jan-13
	Total	2600	

Short Term Open Access Granted during the FY 2013-14

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:-

Intra State STOA

FY	Firm Power	Day Ahead/Same Day Power	Total No of Applications	Total Quantum (MUs)
2012-13	653	1251	1904	16627
2013-14	870	818	1688	13768

Inter State STOA

FY	IEX	PXIL	Total No of Applications
2012-13	2150	155	2305
2013-14	14572	112	14684

(3) Joint Venture

1. MSETCL AND JSW : JAIGAD POWER TRANSCO LIMITED

The JV 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.

The 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 Koyana 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 the 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 Koyana and Karad regions.

The Transmission system availability achieved for the financial year 2013-14 was 99.19% against the normative availability of 98%. This performance is an improvement over the Transmission system availability of 98.43% achieved during last financial year 2012-13. The improvement of Transmission system availability is due to various innovative preventive & proactive maintenance measures undertaken by your Company.

During the financial year 2013-14, 624 polymer long rod insulator strings were installed at 13 Towers in select stretches, which were prone to high fog and salinity conditions and were identified based on the performance of Transmission System observed during previous dry season and over last two years. The performance of the Transmission System has considerably improved with these minor modifications and consequently trippings & insulator washing activity has also substantially reduced in comparison with last two dry seasons.

The Company has complied with all regulatory requirements during the financial year under the Transmission license granted by MERC. MERC issued Transmission Tariff for Intra State Transmission

System for Multi Year Tariff (MYT) for control period from FY 2012-13 to 2015-16 vide its order dated 13th May 2013, which facilitated your Company recovery of its Annual Revenue Requirement (ARR) based on approved MYT Business Plan of your company by MERC. MERC also approved the Company's petition for True-up of ARR for FY 2011-12 as well as ARR for MYT for Control period from FY 2012-13 to FY 2015-16.

2. MSETCL AND STERLITE TECHNOLOGIES LIMITED : MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED

Your company entered into the Joint Venture with Sterlite Technologies Ltd. on 4th May, 2012 through a transparent bidding process. 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 collaborated 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.

MTCIL was formed on 09th August 2012 with a purpose to create a Fiber Optic backhaul based telecommunication network along the EHV lines of MSETCL. The work has to be taken up into 3 Phases to complete the OPGW installation of 3058 Km including additional route. The work started on 17-02-2014 for First installation of OPGW cable. The work done up to 08-October 2014 was 494 Km.

(4) Finance & Accounts

The summarized financial results of the Company for 2013-14 are as follows:

[₹ In Crores]

Particulars	2013-14	2012-13
Total Income	5495	3671
Total Expenditure	2942	2088
Profit before tax and Prior Period Adjustments	2553	1583
Less: Net Prior Period Expenses / (Income)	31	26
Profit Before Tax	2522	1557
Provision for Tax	819	519
Net Profit/(Loss)After Tax available for appropriation	1703	1038

Profit before Tax for the year 2013-14 increased at ₹ 2,522 Crore as against ₹ 1,557 Crore during the previous financial year 2012-13. Profit after Tax for financial year 2013-14 increased at ₹ 1,703 Crore as against ₹ 1,038 Crore during the previous financial year 2012-13.

Revenue

The Major element of Revenue for the Company is Transmission Charges which is collected from State Transmission Utility (STU).

Dividend

Considering the requirement of funds for system improvement and various infrastructural projects, Directors did not recommended any dividend for the year.

Internal Control

The Company has a 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.

Subsidiary Company

The Company is a subsidiary of MSEB Holding Company Limited by virtue of provisions of Section 4(1) (a) and 4(2) of the Companies Act, 1956.

Cost Auditors

The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, in exercise of powers conferred u/s 233B(1) issued Cost Audit Order to audit Cost Accounting Records and Books of Accounts maintained by the company in respect of Electricity Industry. Accordingly, the Board of Directors appointed M/s. A. G. Anikhindi & Co. Cost Accountants as the cost auditor for the FY-2013-2014 which have been approved by the Central Government.

Statutory Auditors

The Comptroller and Auditor General of India, New Delhi vide its letter no. CA.V/COY/MAHARASHTRA, MSETCL (1)/132 dated 30th July, 2013 appointed, M/s. Jain Chowdhary & Co., Chartered Accountants as Statutory Auditors of the Company for the year ended 31st March, 2014.

Explanation to the remarks of Statutory Auditors

Pursuant to section 217(3) of the Companies Act, 1956 explanations to the remarks of the Statutory Auditors is enclosed as Annexure 'A'.

Directors

- **Composition**

The Board presently comprises of 6 directors

- **Changes in the Board of Directors**

Shri Arvind Singh ceased to be the Chairman & Managing Director of the Company w.e.f. 23rd January, 2014.

Shri Bipin Shrimali was appointed as the Chairman & Managing Director of the Company w.e.f 10th February, 2014.

Shri Azeez Mehdi Khan ceased to be the independent director w.e.f 11th June, 2014.

Smt. Pushpa Chavan was appointed as Independent Woman Director on the Board on 26.06.14.

Shri Prakash V. Page was appointed as an Independent Director on the Board on 19.08.14.

- **Board Meetings**

Board met 9 times during the year ended 31st March, 2014.

- **Audit Committee**

There was mandatory requirement for the company to constitute Audit Committee under the Companies Act, 1956. However, the Company has constituted the Audit Committee in the meeting of the Board held on 19th May, 2014 under the new Companies Act, 2013.

The Audit Committee comprises of following Directors:

- Shri P.V. Page – Chairman
- Smt. Pushpa Chavan
- Shri O.K. Yempal

The Committee met two times since its formation and the financial statements have been reviewed by the Committee.

Corporate Social Responsibility Committee (CSR)

The Board constituted the CSR Committee in its meeting held on 19th May, 2014 pursuant to section 135 of the Companies Act, 2013.

The Committee comprises of following directors:

- Shri Bipin Shrimali – Chairman
- Smt. Pushpa Chavan
- Shri Pratap G. Mohite
- Shri O.K. Yempal

The Committee met once to discuss the various CSR issues.

(5) State Transmission Utility

(A) Regulatory & Commercial Activities for the year 2013-14 :

- Approval of Multi Year Tariff Business Plan of MSETCL for the Second Control Period from FY 2011-12 to FY 2015-16. Approved vide Case No. 137 of 2011, Dtd. 11-1-13.
- Petition for Truing up for FY 2011-12, Annual Performance Review of FY 2012-13 and Aggregate Revenue Requirement for the MYT Second Control Period from FY 2013-14 to FY 2015-16 of Maharashtra State Electricity Transmission Company Limited (MSETCL). Order in Case No. 39 of 2013, Dtd. 11-2-13.

(B) Open Access Related Activities for the FY 2013-14:

- Applications for Long Term Open Access, CPP and Co-gen. are being processed in time.
- In IPP category 7 Nos. consumers with installed capacity of 2085 MW are commissioned.
- One No. Captive Power Plant of installed capacity 38.22 MW is commissioned.
- In Co-generation category 27 Nos. of consumers with installed capacity 463.11 MW are commissioned.
- Wind Power Projects of capacity 975 MW have been commissioned during the Financial Year. Grid connectivity issued to total 47 Nos of 5407 MW.
- Total installed capacity of Grid connected Solar Power Projects is 10 Nos with capacity 260 MW. Grid connectivity issued to total 29 Nos. of 1115 MW capacity.

(C) STU Five Year Transmission Plan for the period 2014-15 to 2018-19

- STU Five Year Plan for F.Y. 2014-15 to 2018-19 is submitted to MERC, the technical Abstract for the (a) New sub- station year wise (b) Transmission lines year wise & (c) Transformer Capacity Addition year wise for the plan period is as given below:

TECHNICAL ABSTRACT MSETCL							
Sr. No.	Vol level	2014-15	2015-16	2016-17	2017-18	2018-19	Total
New Sub-Station							
1	765 KV	0	1	0	0	0	1
2	400 KV	4	0	2	2	3	11
3	220 KV	12	13	12	12	5	54
4	132 KV	8	10	11	6	9	44
5	110-100 KV	0	0	0	1	0	1
TOTAL		24	24	25	21	17	111
Transmission Lines (Ckt. KM)							
TL1 - Transmission Lines for New Sub-Station							
1	765 KV	0	0	0	0	0	0
2	400 KV	266	942	291	652	761	2912
3	220 KV	527	514	1000	940	714	3695
4	132 KV	363	471	690	367	697	2588
5	110-100 KV	4	0	0	85	0	89
TOTAL (TL1)		1160	1927	1981	2044	2172	9285
TL2 - Transmission Lines for S/S where only Single Source & Single ckt is available							
1	765 KV	0	0	0	0	0	0
2	400 KV	0	0	0	0	0	0
3	220 KV	72	5	80	0	0	157
4	132 KV	558	423	275	458	67	1781
5	110-100 KV	0	0	37	0	0	37
TOTAL (TL2)		630	428	392	458	67	1975
TL3 - Transmission Lines to ensure Reliability							
1	765 KV	0	0	0	0	0	0
2	400 KV	0	0	0	156	0	156
3	220 KV	168	685	260	348	85	1546
4	132 KV	65	267	332	383	61	1108
5	110-100 KV	0	0	0	15	0	15
TOTAL (TL3)		233	952	592	902	146	2825
TL4 - Transmission Lines have Alternate Source							
1	765 KV	0	0	0	0	0	0
2	400 KV	0	0	0	120	0	120
3	220 KV	0	121	0	0	0	121
4	132 KV	0	0	0	135	100	235
5	110-100 KV	0	0	0	0	0	0
TOTAL (TL4)		0	121	0	255	100	476
TL5 - Transmission Lines for Strengthening of Evacuation							
1	765 KV	0	0	0	0	0	0
2	400 KV	0	0	0	0	0	0
3	220 KV	0	0	100	71	25	196
4	132 KV	30	0	30	0	0	60
5	110-100 KV	0	0	0	0	0	0
TOTAL (TL5)		30	0	130	71	25	256

TECHNICAL ABSTRACT MSETCL							
Sr. No.	Vol level	2014-15	2015-16	2016-17	2017-18	2018-19	Total
TOTAL EHV LINES (TL1+TL2+TL3+TL4+TL5) (KM)							
1	765 KV	0	0	0	0	0	0
2	400 KV	266	942	291	928	761	3188
3	220 KV	767	1325	1440	1359	824	5715
4	132 KV	1016	1161	1327	1343	925	5772
5	110-100 KV	4	0	37	100	0	141
TOTAL EHV LINES (TL1+TL2+TL3+TL4+TL5) (KM)		2053	3428	3095	3730	2510	14816

TECHNICAL ABSTRACT MSETCL							
Sr. No.	Vol level	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Capacity Addition (MVA)							
TF1 - Capacity addition by New Sub-Station							
1	765 KV	3000	0	0	0	0	3000
2	400 KV	1000	1000	3000	3000	0	8000
3	220/132 KV	1400	1800	800	800	1200	6000
4	220/33 KV	1150	900	1100	600	400	4150
5	132/33 KV	725	800	350	500	1000	3375
6	110-100 KV	0	0	50	0	0	50
TOTAL (TF1)		4275	4500	5300	4900	2600	21575
TF2 - Capacity addition by Augmentation by Addition of Transformer							
1	765 KV	0	0	0	0	0	0
2	400 KV	815	500	0	0	0	1315
3	220 KV	900	700	300	100	0	2000
4	220/33 KV	850	125	150	0	0	1125
5	132KV	825	150	25	0	0	1000
6	110-100 KV	100	0	0	0	0	100
TOTAL (TF2)		3490	1475	475	100	0	5540
TF3 - Capacity addition by Augmentation by Replacement of Transformer							
1	765 KV	0	0	0	0	0	0
2	400 KV	0	570	0	185	0	755
3	220 KV	520	150	50	100	0	820
4	220/33 KV	675	325	50	0	0	1050
5	132 KV	843	230	0	0	0	1073
6	110-100 KV	125	0	25	0	0	150
TOTAL (TF3)		2163	1275	125	285	0	3848
TOTAL CAPACITY ADDITION (TF1+TF2+TF3) (MVA)							
1	765 KV	3000	0	0	0	0	3000
2	400 KV	1815	2070	3000	3185	0	0
3	220 KV	2820	2650	1150	1000	1200	0
4	220/33 KV	2675	1350	1300	600	400	0
5	132 KV	2393	1180	375	500	1000	0
6	110-100 KV	225	0	75	0	0	300
TOTAL CAPACITY ADDITION (TF1+TF2+TF3) (MVA)		9928	7250	5900	5285	2600	30963

Human Resource Development

1. Knowledge Management & Capacity Building through Training

MSETCL endeavours to build employees' Capability through Training. During the year 2013-14 the following training were undertaken:

- Company has provided Specialized **"Induction Training Programme"** for newly recruited employees. Jr. Engineers (Trans) 291 nos. and Jr. Engineers (Civil) 29 nos. were given planned Induction Training through RTC Padgha, Waluj and Chandrapur. The Induction and Orientation Training "Know Yours Company" for newly recruited Jr. Engineers (Now AEs) were organized at C.O., Mumbai.
- **Women Capacity Development Programme- "Tejswini"** for capacity development of women employees from Pay Group III & IV, who are posted at substations have been organized. Approx 424 women employees have been trained.
- Out – bound **Team Building** Training for Chief Engineers and Superintending Engineers of Nagpur, Amravati and Aurangabad zone was conducted at Chikhaldara Dis. Amravati.
- Refresher Training for Technical Cadre, namely Operations, & Maintenance, Construction, Projects were conducted through RTCs. Functional Training of Non-Technical Cadre, namely F&A, HR were conducted through specialized Training Agency. Train the Trainer (TTT) Training programme (02 batches) were conducted to sharpen training skills of our in-house faculties.
- MDP programmes for Engineers conducted through specialized training agency.
- MSETCL continued its Hot Line Maintenance Training from NPTI, Bangalore. Testing Training was conducted at PSLC at Waluj, Aurangabad.
- 42068 numbers of mandays were utilized of training activities which is around 84% to the total allocated mandays. The mandays utilized for training is as per the national training policy of providing one week training to every employee.
- Training imparted during the year:

MSETCL Strength	Total Trained up to 31st March, 2014
11707	5684

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. During the year A'bad RTC awarded "A" grade. The RTC, Talandage & Vashi are awarded by B grade, RTC Chandrapur, Akola, Jejuri are awarded by "C" grade and "D" grade is awarded to Babhaleshwar RTC.

Other HRD Initiatives

- MSETCL initiative for Replicating Best Practices (from Good-to-Great) –Various Committees have been constituted to study and analyse the best practices in other Companies & to implement them in our Company.
- Open House Meetings are being organized as Employee Reach-out Programme. It aims at Culture Building, resolving HR Issues & as HRD initiative.
- 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.

2. Achievements

- E- Governance Award: Mahapareshan Project “Parivartan -ERP-SAP Implementation” has received Maharashtra State's E-Governance Award on 01.05.2014 from Hon'ble Chief Minister, Maharashtra State.
- MSETCL bagged SAP ACE 2014 Award (Award for Customer Excellence) under the “Best Run Award in Utilities - Transmission” Category.
- Company has continued its Reward Scheme for Best Sub-Stations from the year 2010-11. The Reward for the year 2012-13 has been announced.
- “Knowledge Sharing Scheme” was announced to capture valuable knowledge in the form of concept papers from Pay Group I & II employees for the year 2013-2014 and 37 concept papers are received for evaluation. Winners have been awarded.

3. Safety Awareness Programmes and Safety measures adopted

Various safety awareness programmes were organized on the safety measures adopted by the Company:

- Nitrogen Injection type Fire Protection Systems for Power Transformers, ICTs & Shunt Reactors.
- Water Mist type Fire Fighting System for oil fire (35 & 50 Ltr. capacity).
- Conventional Dry Powder type Fire Extinguishers for indoor & outdoor use i.e. control room etc.
- Standard Operating Procedures for fire safety has been disseminated to all in the Company.
- Statutorily five mock drills were conducted once in every six months.

(6) Future Outlook & Challenges

1. The Abstract of major Substations & EHV lines planned is as under :

Voltage Class	2014-15		2015-16	
	Sub-Stations	Tr. Lines (CkM)	Sub-Stations	Tr. Lines (CkM)
765 kV	1	10.4	0	0
400 kV	4	710.74	2	648.36
220 kV	11	563.16	8	281.7

132 kV	8	406.07	5	181.676
110 kV	0	4.36	0	0
100 kV	1	1.5	0	0
66 kV	0	0	0	0
TOTAL	25	1696.23	15	1100

The state has very high growth rate and power being vital element for growth.

- MSETCL has planned to construct 25 nos. of substation for the F.Y. 2014-15.
- Similarly 1696.23 CkM of transmission lines are planned during the said period.
- MSETCL has planned to construct 15 nos. of Sub-stations during the year 2015-16.
- Similarly, 1100 CkM of transmission lines are planned during the said period.

Opportunities and Challenges

- Transmission planning at higher voltage level i.e. 765 KV for bulk power transmission.
- Optical instrument transformer and digital substation.
- Right of way, can be addressed by :
 - o Multi-Circuit Towers
 - o Upgradation of existing lines: Re-conductoring with higher capacity conductors
 - o Lay underground cables
 - o Monopole structure design.
- To compensate the reactive power requirement of system.
- Planning of network considering seasonal variation in load pattern, nature of loads and agricultural loads.

2. Condition Monitoring

Asset management by way of condition monitoring is very effective way of maintenance. It is popularly also known as Residual Life Assessment (RLA). The ultimate goal for adopting such practice is to improve the availability of grid effectively & efficiently with cost consideration. Condition Monitoring helps to maintain grid and improves quality by:

1. Reduction of Maintenance Cost.
2. Increase Equipment Life Cycle.
3. Reduction in Inventory cost.
4. Improvement in personal safety.
5. Improved schedule of Maintenance.
6. Product Quality Testing.

MSETCL has adopted various condition based monitoring techniques for their asset management.

Live Line maintenance & On Line Condition Monitoring Techniques

MSETCL has adopted live line maintenance & on line Condition Monitoring to reduce the down time of maintenance

- Live Line Maintenance techniques: Bare hand techniques are one of the conventional methods for Live Line Maintenance. Bare hand technique (Direct Contact with Live Line) facilitates the utility for On Line Maintenance with equal quality of off line methods.

- Hot Line Washing: This live line washing technique facilitates the utility for On Line cleaning of Insulators.

(7) Statutory Compliances & Disclosures

a) Particulars of Employees

None of the employee of the Company was in receipt of remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956.

b) Conservation of Energy and Technology Absorption

As per the requirements of the disclosures under section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 information relating to conservation of energy, technology absorption is as given below :

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:

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

c) Foreign Exchange Earnings & Outgo

There has been no Foreign Exchange earnings during the year 2013-14 and expenditure for foreign exchange outgo during the year was ₹ 29,570/-.

d) Safety, Pollution and Environment Control

MSETCL is taking adequate safety measures at all measures at all substations and divisions and transmission circles.

During last 5 years the record of accident is as under:

Year	Non- Fatal		Fatal	
	Outsider	Own Employee	Outsider	Own Employee
2009-10	9	12	11	0
2010-11	4	12	3	0
2011-12	12	1	4	3
2012-13	9	2	12	2
2013-14	4	8	6	2

Directors' Responsibility Statement:

As required under Section 217(2AA) of the Companies Act, 1956, the Directors, state that :

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. Accounting policies had been selected and consistently applied and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and the profit or loss account for that period;
3. 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;
4. The annual accounts had been prepared on a 'going concern' basis.

ACKNOWLEDGEMENT

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 extend 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 thank 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

Date : 29/12/14
Place: Mumbai

Sd/-
Bipin Shrimali
Chairman & Managing Director

ANNEXURE "A"

**MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED,
REPLIES TO THE STATUTORY AUDITOR REPORT FOR THE YEAR 2013-14**

Sr. No.	STATUTORY AUDITORS REPORT	MSETCL's Reply
1.	<p><u>Report on the Financial Statements</u></p> <p>We have audited the accompanying financial statements of MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED which comprises of the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and the summary of significant accounting policies and other explanatory information.</p>	Factual
	<p><u>Management's Responsibility for Financial Statements</u></p> <p>Management is responsible for the preparation of these 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 standards notified in section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	Factual
	<p><u>Auditor's Responsibility</u></p> <p>Our responsibility is to express opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.</p>	Factual
	<p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the</p>	Factual

	<p>auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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><u>Basis for Qualified Opinion :</u> i. The Assets and Liabilities of the company contain balances transferred under the 'Transfer Scheme' notified as on 6th June, 2005 by the Maharashtra Electricity Reforms Transfer Scheme 2005. As per the information given to us, these balances of Fixed Assets, Current Assets and Liabilities as approved by MSEB Holding Company Ltd. have been incorporated in the company's books of accounts. Final 'Transfer Scheme' is yet to be notified by the Govt. of Maharashtra. Any changes in these figures if made, at the time of final notification may have an impact on the financial statements.</p>	<p>In this respect it is submitted that Secretary Energy vide his letter No.Reform2006/CR511/ NRG-3 dated 02.06.2006 addressed to the M.D, MSEB Holding Co., Ltd., conveyed that the Provisional Transfer Scheme as notified by Government Notification dated 04.06.2005 shall continue to be provisional beyond 5th June 2006 till final order on these issues are notified by the Government.</p>
	<p>ii. On account of such 'Transfer Scheme', equity shares of the value of ₹ 26,95,99,20,455/- (being the excess of assets over liabilities) were to be allotted to MSEB Holding Company. Pending such allotment, said amount is shown as "Share Application money pending allotment".</p>	<p>Factual</p>
	<p>2) Balances of Sundry Debtors, Sundry Creditors, Loans and Advances and various other debit / credit balances including those of MSEB Holding Company Ltd. and its fellow subsidiaries are subject to confirmations and adjustments necessary upon reconciliations. The effect of the adjustments arising from reconciliations 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>Balances of Secured Loans, Unsecured Loans and Advances and various other debit/credit balances have been sent to concerned Financial Institutions, Banks and Companies i.e. REC, PFC, LIC, BOM, UBI, Bank of Baroda and MSEB Holding Co., Ltd. out of which the confirmation of balances</p>

		from REC, PFC, LIC, UBI, Bank of Baroda, and BOM have been received. As regards confirmation of balances of the Sundry Debtors it is stated that majority of it pertains to transmission charges of Rs. 298756 lacs which is collected from State Transmission Utility (STU).
	<p>Qualified Qpinion</p> <p>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 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:</p>	
	a) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March 2014.	Factual
	b) In the case of Statement of Profit & Loss, of the profit for the year ended on that date, and	Factual
	c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.	Factual
	<p><u>Report on the legal and regulatory requirements</u></p> <p>As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.</p>	Factual
	<p>As required by section 227(3) of the Act, we report that:</p> <p>a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.</p>	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 and 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 and Loss and Cash Flow Statement comply with the accounting standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.	Factual
	e) Being a Government Company, pursuant to the notification number GSR 829(E) dated 21st October, 2003 issued by the Government of India, the provisions of Sec 274(1) (g) of the Companies Act, 1956 are not applicable to the Company.	Factual
	f) Since the Central Government has not issued any notifications as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.	Factual

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE OF. MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED ON 31ST MARCH 2014.

Sr. No.	AUDITORS REPORT	MSETCL'S Reply
1	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.	MSETCL has implemented SAP/ ERP and an exercise was carried out to update the Fixed Assets Registers data incorporating the quantitative details, however, the same is under scrutiny
(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.	MSETCL has implemented SAP/ERP and an exercise was carried out to update the Fixed Assets Registers data incorporating the quantitative details, however, the same is under scrutiny.
(c)	There has been no disposal of substantial part of fixed assets affecting going concern.	Factual
2) a)	the company had chalked out an annual stock verification program for the F.Y. 2013-14 and inspection/ valuation of stocks lying with company was found duly carried out by the Company during the year as per the said program.	Factual
b)	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	Factual
c)	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.	Factual
3)	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 301 of the Companies Act, 1956 hence reporting under the clause (iii) - (a) to (g) of the Order is not applicable to the company.	Factual

4.	In our opinion and according to the information and explanations given to us, additional strengthening of internal control procedures with regard to purchase of fixed assets and materials, delegation of authority and issue of Work Order is recommended so as to be commensurate with the size of the company and nature of its business. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure or major weaknesses in the internal control system.	Extensive exercise on the basis of Internal Audit reports is undertaken to further strengthen the internal controls. Also preparation of a comprehensive manual and Internal Audit scope in detailed booklet form is under process to strengthen the internal control procedure.
5.	According to the information and explanation given to us, there are no contracts or arrangements with companies or other parties which needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Hence Clause (v) (a) and (v) (b) are not applicable for the F.Y. 2013-14.	Factual
6.	During the year, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.	Factual
7.	The Company has appointed external firms of Chartered Accountants to carry out the internal audit. In our opinion and on the basis of audit conducted by us in different offices of the company, the internal audit be carried out in a timely and scheduled manner and emphasis be laid on timely compliances so as to make such function commensurate with the size of the company and nature of its business.	For F.Y. 2014-15 & onwards, the company has initiated the process for empanelment of CA firms for Internal Audit function so that Internal Audit is conducted in more comprehensive and scheduled manner. For F.Y. 2013-14, All internal auditors have submitted their reports before completion of statutory audit and in maximum offices, replies / compliances has been submitted and rectifications have been carried out.
8.	The Central Government has prescribed maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 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,	Factual

	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.						
9.	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, 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 which have not been deposited as on 31st March, 2014 on account of any dispute are given below.						
	Sr. No.	Name of the Statute (Nature of dues)	Period to which the amount relates	Forum where the matter is pending	Amount (₹ Crores)		
	1.	Employees State Insurance	Various years from F.Y. (1968 -1996)	Employees 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 against the ESIC Court Pune order which was in favour of MSEB. At present the matter is pending with Mumbai High Court.
	2.	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. Proceedings 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 Lacs (FBT) has been filed and the same is pending

Sr. No.	Name of the Statute (Nature of dues)	Period to which the amount relates	Forum where the matter is pending	Amount (₹ Crores)	
3.	Income Tax	A. Y. 2008-09	ITAT	3.28	Rectification Order dt 14.03.2011 filed in the Office of ACIT-10(1), However the same has not been acted upon.
4.	Income Tax	A. Y. 2009-10	CIT (Appeal)	190.01	The proceedings before CIT(A) are under process
5.	Income Tax	A. Y. 2010-11	CIT (Appeal)	35.19	The proceedings before CIT(A) are under process.
10	The Company does not have any accumulated losses and the Company has not incurred cash losses during the year as well as in the Factual immediately preceding financial year.				Factual
11	In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks and financial institutions. The Company has not borrowed any sum through debentures.				Factual
12	According to the information and explanation given to us, the Company has not granted any loans or advances against pledge of Factual shares, debentures or other securities.				Factual
13	Clause (xiii) of the Order is not applicable to the company as the Company is not a Chit fund company or Nidhi / Mutual Benefit Fund / Society.				Factual
14	In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments.				Factual
15	According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.				Factual
16	In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, the term loan raised during the year have prima facie been applied for the purpose for which they were raised.				Factual

17	According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on short term basis which have been used for long term investments.	Factual
18	The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.	Factual
19	The Company does not have any debentures and hence the question of creation of securities for debentures does not arise.	Factual
20	The Company has not raised any money by public issues during the period covered by our report.	Factual
21	During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company noticed or reported during the year nor have been informed of such case by the management.	Factual

**For and on behalf of
 Jain Chowdhary & Co.
 Chartered Accountants
 ICAI FR No. 113267W**

**Siddharth Jain
 Partner
 M. No: 104709**

**Place : Mumbai
 Date : 29/12/2014**

For Maharashtra State Electricity Transmission Company Limited

**Sd/-
 Bipin Shrimali
 Chairman & Managing Director**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4)
OF COMPANIES ACT, 1956 ON THE ACCOUNTS OF MAHARASHTRA STATE ELECTRICITY
TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2014.**

The preparation of financial statements of **Maharashtra State Electricity Transmission Company Limited, Mumbai** for the Year Ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body-the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 19 September 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **Maharashtra State Electricity Transmission Company Limited, Mumbai** for the Year Ended 31 March 2014. 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 matter under Section 619(4) of the Companies Act, 1956 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. COMMENT ON PROFITABILITY
STATEMENT OF PROFIT & LOSS**

IV EXPENSES

Finance Costs (Note No.29)	₹ 7.63 crore
(b) Other Finance Costs	
(i) Guarantee Charges	₹ 3.43 crore

The above includes ₹ 1.39 crore which was already charged to Profit & Loss for 2012-13 and was shown as liability as on 31 March 2013. However, when the liability was discharged in 2013-14, the provision made earlier was not reversed.

This has resulted in understatement of Profit for the year by ₹ 1.39 crore with an equivalent overstatement of Current Liabilities as on 31 March 2014.

B. COMMENTS ON FINANCIAL POSITION

BALANCE SHEET

I. EQUITY AND LIABILITIES

4 Current Liabilities

(b) Trade Payables (Note No.11) ₹ 416.30 crore

(2) This does not include ₹ 13.05 lakh being the value of material received as per invoice dated 21 March 2014 for which no liability has been provided. Similarly, liability has not been provided in respect of work completed by contractors amounting to ₹ 56.17 lakh.

Non provision for liabilities has resulted in understatement of Current Liabilities and Capital Work in Progress by ₹ 69.22 lakh.

(c) Other Current Liabilities (Note 12)

(e) Other Liabilities & Provisions

(iii) Staff Related Liabilities and Provisions ₹ 205.03 crore

(3) This includes ₹ 150.05 crore being provision for pay revision with effect from 01 April 2013. The provision was worked out considering Dearness allowance at the rate of 80 *per cent* on basic pay instead of the applicable DA rates of 80 *per cent* from April to June 2013 and 90 *per cent* from July 2013 onwards.

This has resulted in understatement of other Current Liabilities and Overstatement of Profit by ₹ 5.41 crore.

C. COMMENT ON DISCLOSURE

2 Statement of Significant Accounting Policies (Note No. 2)

2 (i) Revenue Recognition

(iv) Liquidated Damages

(4) During the year the company changed it's accounting policy of crediting the LD retentions to Miscellaneous income, with crediting such retentions to Deposits under Non-current liabilities. Neither the fact of change in the accounting policy nor it's effect on financial statements, by way of increase in Non-current liabilities by ₹. 9.24 crore for the current year and by ₹ 7.69 crore for the prior period, has been qualified and disclosed, as required by Accounting Standard 1.

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

Sd/-
PUNAM PANDEY
PRINCIPAL ACCOUNTANT GENERAL
(AUDIT) — III

Place : Mumbai
Date : 29 / 12 / 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON
ACCOUNTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2014

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 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body-the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 19 September 2014.</p>	<p>Factual</p>
	<p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Maharashtra State Electricity Transmission Company Limited, Mumbai for the Year Ended 31 March 2014. 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 matter under Section 619(4) of the Companies Act, 1956 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>COMMENT ON PROFITABILITY STATEMENT OF PROFIT & LOSS</p> <p>IV EXPENSES</p> <p>Finance Costs (Note No.29) ₹ 7.63 crore</p> <p>(b) Other Finance Costs</p> <p>(i) Guarantee Charges ₹ 3.43 crore</p> <p>1. The above includes ₹ 1.39 crore which was already charged to Profit & Loss for 2012-13 and was shown as liability as on 31 March 2013. However, when the liability was discharged in 2013-14, the provision made earlier was not reversed.</p> <p>This has resulted in understatement of Profit for the year by ₹ 1.39 crore with an equivalent overstatement of Current Liabilities as on 31 March 2014.</p>	<p>Provision for an amount of ₹ 1,38,96,343/- towards Govt. Guarantee fees accrued but not due as on 31.03.2014 is withdrawn in current financial year 2014-15 by passing necessary entry.</p>
<p>B.</p>	<p>COMMENTS ON FINANCIAL POSITION BALANCE SHEET</p> <p>I. EQUITY AND LIABILITIES</p> <p>4 Current Liabilities</p> <p>(b) Trade Payables (Note No.11) ₹ 416.30 crore</p> <p>2. This does not include ₹13.05 lakh being the value of material received as per invoice dated 21 March 2014 for which no liability has been provided. Similarly, liability has not been provided in respect of work completed by contractors amounting to ₹56.17 lakh.</p> <p>Non provision for liabilities has resulted in understatement of Current Liabilities and Capital Work in Progress by ₹ 69.22 lakh.</p>	<p>MSETCL has initiated SAP/ERP System and all the entries are punched through the System. As per the procedure, the MIGO part of accounting entry is booked by the Technical Section based on Material Inspection Report. In both these reported instances, invoices were received at the respective sections in June-2014 and inadvertently in both such cases the expenses got accounted as expenses relating to FY 2014-15.</p> <p>The necessary entry for accounting such expenses as 'Prior Period Expenses' has been passed in the current FY 2014-15</p>
<p>(c)</p>	<p>Other Current Liabilities (Note 12)</p> <p>(e) Other Liabilities & Provisions</p> <p>(iii) Staff Related Liabilities & Provisions ₹ 205.03 crore</p> <p>(3) This includes ₹ 150.05 crore being provision for pay revision with effect from 01 April 2013. The provision was worked out considering Dearness allowance at</p>	<p>The provision for Accounting 'Pay Revision Salary' was made on ad-hoc basis at the time of finalisation of Accounts for FY</p>

	<p>the rate of 80 per cent on basic pay instead of the applicable DA rates of 80 per cent from April to June 2013 and 90 per cent from July 2013 onwards.</p> <p>This has resulted in understatement of other Current Liabilities and Overstatement of Profit by ₹ 5.41 crore.</p>	<p>2013-14. The basis for making the said provision was worked out considering the rates as on the date on which the said 'Pay Revision' was effective. The exact impact of the same is being considered while making the actual payment in F.Y. 2014-15.</p> <p>The impact of not making additional provision w.r.t. 'Pay Revision Salary' is not material considering the Employee cost being the 35.58% of total Expenses where impact of change in D.A of ₹ 5.41 Crore constitutes only 0.52% of Employee cost and 0.18% of total Expenses.</p>
C.	<p>COMMENT ON DISCLOSURE</p> <p>2 Statement of Significant Accounting Policies (Note No. 2)</p> <p>2 (i) Revenue Recognition</p> <p>(iv) Liquidated Damages</p>	
(4)	<p>During the year the company changed it's accounting policy of crediting the LD retentions to Miscellaneous income, with crediting such retentions to Deposits under Non-current liabilities. Neither the fact of change in the accounting policy nor it's effect on financial statements, by way of increase in Non-current liabilities by ₹ 9.24 crore for the current year- and by ₹ 7.69 crore for the prior period, has been qualified and disclosed, as required by Accounting Standard 1.</p>	<p>The amount of ₹ 16,93,28,450/- pertaining to the LD charges reverted back as Retention Against LD (GL 123110) are grouped under the head Deposits in the Other Non Current Liability Schedule.</p> <p>In this matter, it is to state that MSETCL presents its Annual Accounts in the Revised Schedule VI format as prescribed by the Companies Act, 1956 The format specifies certain items to be disclosed separately, while the others are to be just bifurcated into Non-Current and Current Type Hence separate Quantification of the same was not done in the Schedule as per Schedule VI format.</p>

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

**For Maharashtra State Electricity Transmission
Company Limited**

Sd/-
Punam Pandey
PRINCIPAL ACCOUNTANT GENERAL
(AUDIT — III)

Sd/-
Pratap G. Mohite
Director(Finance)

Place : Mumbai
Date : 29/12/2014

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of **MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED**, which comprises of the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

Management is responsible for the preparation of these 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 Standards notified in section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis of our audit opinion.

Basis for Qualified Opinion

1. i) The Assets and Liabilities of the company contain balances transferred under the 'Transfer Scheme' notified as on 6th June, 2005 by the Maharashtra Electricity Reforms Transfer Scheme 2005. As per the information given to us, these balances of Fixed Assets, Current Assets and Liabilities as approved by MSEB Holding Company Ltd. have been incorporated in the company's books of accounts. Final 'Transfer Scheme' is yet to be notified by the Govt. of Maharashtra. Any changes in these figures if made, at the time of final notification may have an impact on the financial statements.
- ii) On account of such 'Transfer Scheme', equity shares of the value of ₹ 26,95,99,20,455/- (being the excess of assets over liabilities) were to be allotted to MSEB Holding Company. Pending such allotment, said amount is shown as "Share Application money pending allotment".
2. i) Balances of Sundry Debtors, Sundry Creditors, Loans and Advances and various other debit / credit balances including those of MSEB Holding Company Ltd. and its fellow subsidiaries are subject to confirmations and adjustments necessary upon reconciliations. The effect of the adjustments arising from reconciliations 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.

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 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 2014
- b) In the case of Statement of Profit & Loss, of the profit 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.

Report on the legal and regulatory requirements

As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section 227 of the Act, we give in the **Annexure A** statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- a. We have 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 and 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 and Loss and Cash Flow Statement comply with the accounting standards notified under the Act read with the General Circular 15/ 2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. Being a Government Company, pursuant to the notification number GSR 829(E) dated 21st October, 2003 issued by the Government of India, the provisions of Sec 274(1) (g) of the Companies Act, 1956 are not applicable to the Company.
- f. Since the Central Government has not issued any notifications as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

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

Sd/-
Siddharth Jain
Partner
Membership No. : 104709

Date : 19/09/2014
Place : Mumbai

Annexure to INDEPENDENT AUDITORS' REPORT
(Referred to in Paragraph of our Report of even date)

1. 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) There has been no disposal of substantial part of fixed assets affecting going concern.
2.
 - a) The company had chalked out an annual stock verification program for the F.Y. 2013-14 and inspection/ valuation of stocks lying with company was found duly carried out by the Company during the year as per the said program.
 - b) 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.
 - c) 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.
3. 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 301 of the Companies Act, 1956 hence reporting under the clause (III) - (a) to (g) of the Order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, additional strengthening of internal control procedures with regard to purchase of fixed assets and materials, delegation of authority and issue of Work Order is recommended so as to be commensurate with the size of the company and nature of its business. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure or major weaknesses in the internal control system.
5. According to information and explanation given to us, there are no contracts or arrangements with companies or other parties which needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Hence Clause V (a) & V (b) are not applicable for the F.Y. 2013-14.

6. During the year, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. The Company has appointed external firms of Chartered Accountants to carry out the internal audit. In our opinion and on the basis of audit conducted by us in different offices of the company, the internal audit be carried out in a timely and scheduled manner and emphasis be laid on timely compliances so as to make such function commensurate with the size of the company and nature of its business.
8. The Central Government has prescribed maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956 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.
9. 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, 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 which have not been deposited as on 31st March, 2014 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 (₹ 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	ITAT	3.28
Income Tax	A. Y. 2009-10	CIT (Appeal)	190.01
Income Tax	A. Y. 2010-11	CIT (Appeal)	35.19

10. The Company does not have any accumulated losses and the Company has not incurred cash losses during the year as well as in the immediately preceding financial year.

11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks and financial institutions. The Company has not borrowed any sum through debentures.
12. According to the information and explanation given to us, the Company has not granted any loans or advances against pledge of shares, debentures or other securities.
13. Clause (xiii) of the Order is not applicable to the company as the Company is not a Chit fund company or Nidhi / Mutual Benefit Fund / Society.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, the term loan raised during the year have prima facie been applied for the purpose for which they were raised.
17. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on short term basis which have been used for long term investments.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company does not have any debentures and hence the question of creation of securities for debentures does not arise.
20. The Company has not raised any money by public issues during the period covered by our report.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company noticed or reported during the year nor have been informed of such case by the management.

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

Siddharth Jain
Partner
M. No: 104709

Place : Mumbai
Date : 19/09/2014

BALANCE SHEET AS AT 31st MARCH, 2014

(Amount in ₹) (Amount in ₹)

Sr. No.	PARTICULARS	Note No.	As at 31.03.2014	As at 31.03.2013
I	EQUITY AND LIABILITIES			
1.	Shareholders' Funds			
	(a) Share Capital	3	5,00,000	5,00,000
	(b) Reserves and Surplus	4	40,26,75,46,763	23,23,60,87,989
2.	Share Application Money Pending Allotment	5	26,95,99,20,455	26,95,99,20,455
3.	Non - Current Liabilities			
	(a) Long - term borrowings	6	72,68,28,93,935	73,95,88,61,625
	(b) Deferred tax liabilities (Net)	7	12,42,86,70,925	11,46,63,80,782
	(c) Other non-current liabilities	8	13,47,85,17,541	12,89,15,78,108
	(d) Long term provisions	9	7,55,42,76,113	5,45,39,40,454
4.	Current Liabilities			
	(a) Short - Term borrowings	10	1,80,00,00,000	4,69,94,80,952
	(b) Trade Payables	11	4,16,30,29,192	3,61,34,76,351
	(c) Other current Liabilities	12	16,10,55,85,395	13,42,00,34,186
	(d) Short - term provisions	13	1,78,62,87,539	31,14,90,048
	Total		1,97,22,72,27,857	1,76,01,17,50,950
II.	ASSETS			
1.	Non - Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	14	1,18,41,96,10,423	1,11,55,60,02,435
	(ii) Intangible Assets	14	8,92,27,265	13,48,64,130
	(iii) Capital Work - in - progress	14	40,09,34,36,023	40,39,96,26,137
	Assets Not in use		1,64,59,19,178	42,27,95,081
	(b) Non - Current Investments	15	3,72,01,41,260	3,87,08,78,354
	(c) Long term loans and advances	16	1,55,02,91,836	1,84,82,59,339
	(d) Other non - current assets	17	4,01,32,080	4,96,87,924
2.	Current Assets			
	(a) Inventories	18	3,28,14,67,323	3,83,36,76,425
	(b) Trade Receivables	19	23,34,48,69,324	9,08,31,51,211
	(c) Cash and cash equivalents	20	29,53,49,519	46,52,61,941
	(d) Current Investments	21	40,63,64,650	66,61,53,108
	(e) Short - Term loans and advances	22	1,54,34,40,887	95,08,32,337
	(f) Other Current Assets	23	2,79,69,78,088	2,73,05,62,529
	Total		1,97,22,72,27,857	1,76,01,17,50,950

2

Significant Accounting Policies

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

Siddharth Jain

Partner

M. No: 104709

Place : Mumbai

Date : 19/09/2014

For Maharashtra State Electricity Transmission Company Limited

Sd/-

P. G. Mohite
Director(Finance)

Sd/-

Dr. Jyoti Arora
Company Secretary

Sd/-

Bipin Shrimali
Chairman & Managing Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

			(Amount in ₹)	(Amount in ₹)
Sr. No.	PARTICULARS	Note No.	2013-14	2012-13
	INCOME			
i.	Revenue From operations	24	52,77,61,77,146	33,87,47,15,398
	Less : Excise Duty		---	---
	Revenue from operations (Net)		52,77,61,77,146	33,87,47,15,398
ii.	Other Operating Revenue	25	35,22,60,661	39,43,49,677
iii.	Other Income	26	1,82,81,02,834	2,44,29,27,257
	Total Revenue		54,95,65,40,641	36,71,19,92,331
	EXPENSES			
iv.	Repair & Maintenance Expenses	27	1,88,97,76,274	2,41,55,25,514
	Employee Benefit Expenses	28	10,46,97,31,010	6,56,36,08,631
	Finance costs	29	7,62,83,58,348	5,40,48,08,745
	Depreciation and amortization Expenses	14	7,34,98,70,600	4,54,81,77,917
	Other Expenses	30	2,08,66,16,407	1,95,23,40,297
	Total Expenses		29,42,43,52,639	20,88,44,61,104
v.	Profit before Exceptional Items, Extraordinary Items and Tax		25,53,21,88,002	15,82,75,31,227
vi.	Exceptional items			
	Prior Period Expenses / (Income)	31	31,33,16,302	26,27,45,134
vii.	Profit before Extraordinary Items and Tax		25,21,88,71,700	15,56,47,86,093
viii.	Extraordinary Items		---	---
ix.	Profit Before Tax		25,21,88,71,700	15,56,47,86,093
x.	Tax Expense	32		
	Current Tax		7,22,51,22,786	3,11,41,63,489
	Deferred Tax		96,22,90,142	2,06,71,59,098
xi.	Profit for the period from continuing operations		17,03,14,58,772	10,38,34,63,506
xii.	Profit / (Loss) from discontinuing operations		---	---
xiii.	Tax expense of discontinuing operations		---	---
xiv.	Profit / (Loss) from discontinuing operations after Tax		---	---
xv.	Profit / (Loss) for the period		17,03,14,58,772	10,38,34,63,506
xvi.	Earning per equity share of ₹ 10 each			
	Basic		3,40,629	2,07,669
	Diluted		6.32	3.85

Significant Accounting Policies

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

Siddharth Jain

Partner

M. No: 104709

Place : Mumbai

Date : 19/09/2014

For Maharashtra State Electricity Transmission Company Limited

Sd/-

P. G. Mohite
Director(Finance)

Sd/-

Dr. Jyoti Arora
Company Secretary

Sd/-

Bipin Shrmali
Chairman & Managing Director

CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

(Amount in ₹)

PARTICULARS	2013 - 14		2012 - 13	
Net Profit before tax after prior period items		25,21,88,71,700		15,56,47,86,093
Add/(Less) : Adjustments				
Depreciation	7,34,98,70,600		4,54,81,77,917	
Interest and finance charges	9,22,40,20,650		8,25,73,08,745	
Increase in Current Assets	(14,84,92,46,562)		(4,85,88,54,243)	
Increase in Current liabilities	5,61,08,89,093		(1,04,39,69,253)	
	7,33,55,33,781		6,90,26,63,166	
Add/(Less): Income Tax for earlier years	---		(8,742)	
Income Tax Paid	(4,39,08,10,000)	2,94,47,23,781	(2,06,90,62,529)	4,83,35,91,895
Cash flow from Operating Activities		28,16,35,95,481		20,39,83,77,988
Cash flow from Investing Activities				
Increase in Capital Expenditure	(15,08,47,75,706)		(22,02,01,11,087)	
Increase in Investment	15,07,37,094		(1,56,93,11,754)	
		(14,93,40,38,612)		(23,58,94,22,841)
Cash flow from Financing Activities				
Loans	(4,17,54,48,641)		10,99,92,69,639	
Interest and finance charges	(9,22,40,20,650)		(8,25,73,08,745)	
		(13,39,94,69,291)		2,74,19,60,894
Net Increase /(Decrease in Cash Flow)		(16,99,12,422)		(44,90,83,959)
Opening Cash and Cash equivalents		46,52,61,941		91,43,45,900
Closing Cash and Cash equivalents		29,53,49,519		46,52,61,941

Note : Summary of Cash & Cash Equivalents

Cash and cash equivalents include	2013 - 14		2012 - 13	
(1) Cash and Stamps on hand		14,76,484		18,54,541
(2) Cheque in hand		---		---
(3) Cash in Transit		---		---
(4) Bank Balances				
(a) with Scheduled banks		29,38,73,035		46,34,07,401
Total		29,53,49,519		46,52,61,941

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

For Maharashtra State Electricity Transmission Company Limited

Siddharth Jain
Partner
M. No: 104709

Sd/-
P. G. Mohite
Director(Finance)

Sd/-
Dr. Jyoti Arora
Company Secretary

Sd/-
Bipin Shirmali
Chairman & Managing Director

Place : Mumbai
Date : 19/09/2014

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, Notes to the Financial Statements for year ended 31st March 2014

1 Background:

- a) Maharashtra State Electricity Transmission Company Limited (MSETCL) was incorporated under the Companies Act, 1956 on 31st May, 2005. The Certificate of Commencement of Business was received on 15th September, 2005 from the Registrar of Companies. The Company was incorporated as per provisions of the Notification of Maharashtra State Electricity Reforms Transfer Scheme, 2005 (hereinafter referred to as the Transfer Scheme) which was issued on 4th June, 2005. As per the aforesaid notification, assets and liabilities forming part of the Transmission Undertaking of erstwhile Maharashtra State Electricity Board as set out in 'Schedule A' of the said Notification were transferred and vested to the company with effect from 6th June, 2005. The transfer of Assets and Liabilities under the above Transfer Scheme was made by the Government of Maharashtra. The consideration for the transfer of undertaking being excess of assets over liabilities will be discharged by issue of Equity Shares of ₹ 26,95,99,20,455/- to MSEB Holding Company Limited.

The assets and liabilities of the company as on June 06, 2005 contain balances, which are transferred under the Maharashtra Electricity Reforms Transfer Scheme, 2005 (Transfer Scheme). Accordingly, these balances are approved by MSEB Holding Company Ltd. The Final Transfer Scheme is yet to be notified by the Government of Maharashtra, which may have an impact on the financial statements of the Company.

- b) Long term loans and advances considered good includes assets valued at ₹ 1,53,78,00,000/- which were acquired through lease finance (Financial lease) from ILFS. This is as per the opening balance of transfer scheme received from erstwhile MSEB (Advance paid lease finance project account code 290030 : ₹ 1,53,78,00,000/- Dr. HVDC ILFS Account)

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, 1956 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 issued by the Companies (Accounting Standards) Rules, 2006 as per notification no. G.S.R. 739 (E) dated 7th December, 2006.

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 at 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) Claim's 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 ₹ 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 (GL A/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 Employee Benefits:

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

ii) Post-employment benefits:

a) Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which Company recognizes fixed contributions as a liability (accrued expenses) 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 :

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 Department 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 power and authorities are mentioned in terms of delegation of power 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), power are delegated to official for grant of extension 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 31.03.2014 (₹)	As At 31.03.2013 (₹)
3.	Share Capital		
	(a) Authorized Capital		
	5,00,00,00,000 Equity Share of ₹ 10/- each	50,00,00,00,000	50,00,00,00,000
		50,00,00,00,000	50,00,00,00,000
	(b) Issued, Subscribed & Paid Up Capital		
	50,000 Equity Shares of ₹ 10/- each	5,00,000	5,00,000
	(Previous Year 50,000 Equity Shares of ₹ 10/- each)		
		5,00,000	5,00,000

(c) Terms & Rights attached to shares
Equity Shares

The company has one class of equity shares having a par value of ₹ 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 (50,000)	5,00,000 (5,00,000)
Shares issued during the year	---	---
Shares outstanding at the end of the year	50,000 (50,000)	5,00,000 (5,00,000)

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

Name of Shareholder	No of shares	% Share
Equity Shares		
Shri Ajoy Mehta (Principal Secretary (Energy)) Nominee of Government of Maharashtra	49,940 (49,940)	99.88 (99.88)

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

Note No.	Particulars	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
4.	Reserve & Surplus		
	(a) Contingency Reserve Fund		
	Opening Balance	2,35,59,00,000	1,95,49,00,000
	Add : Addition During the year	47,87,00,000	40,10,00,000
	Add/ (Less) : (Excess)/Short Provision for earlier years	(2,12,00,000)	(56,00,000)
		2,81,34,00,000	2,35,59,00,000
	(b) Special Reserve Fund		
	Opening balance	62,81,00,000	61,58,00,000
	Add : Addition During the year	15,88,00,000	1,23,00,000
	Add/ (Less) : (Excess)/Short Provision for earlier years	- - -	- - -
		78,69,00,000	62,81,00,000
	(c) Surplus in Statement of Profit & Loss		
	Opening balance	20,25,20,87,990	10,28,19,33,226
	Add : Profit for the year	17,03,14,58,772	10,38,34,63,506
		37,28,35,46,763	20,66,53,96,731
	Less : Appropriations		
	Transfer to Contingency Reserve	47,87,00,000	40,10,00,000
	Transfer to Special Reserve Fund	15,88,00,000	1,23,00,000
	Add/ (Less) : (Excess)/Short Provision for earlier years	2,12,00,000	- - -
		36,66,72,46,763	20,25,20,96,731
	Add / (Less) : Income Tax for earlier years	- - -	(8,742)
	Closing balance	36,66,72,46,763	20,25,20,87,989
	Total	40,26,75,46,763	23,23,60,87,989

5 Share Application Money Pending Allotment

5.1 Terms & Conditions

The company will issue equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

5.2	Issue price of the share	₹
	Par Value per Share	10
	Premium on issue per share	0
	Issue price per share	10

5.3 No. of Share proposed to be issued

Total Share Application Money (₹)	26,95,99,20,455
Issue price of the share (₹ / Share)	10
Shares to be issued (Nos.)	2,69,59,92,045

5.4 Since the Company has increased authorised share capital from ₹ 5 Lacs to ₹ 5000 Crore during the Financial Year 2011-12, the company shall initiate the process of allotment of shares after the scheme has been notified by the Government of Maharashtra.

5.5 The amount of ₹ 26,95,99,20,455 shown under Share Application Money Pending Allotment represents the excess of assets over liabilities transferred to the company pursuant to the transfer scheme of the erstwhile MSEB framed for the purpose of restructuring the electricity board. Accordingly, MSETCL would allot the equity shares as per the directives of MSEB Holding Company.

Note No.	Particulars	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
6.	Long Term Borrowings		
	Secured Loans		
	(a) Term Loans from Banks	6,47,76,38,658	6,83,78,59,456
	(b) Term Loans from Other Parties	66,16,40,91,704	67,07,98,38,596
		72,64,17,30,362	73,91,76,98,052
	Unsecured Loans		
	Loan from KEC International	4,11,63,573	4,11,63,573
		4,11,63,573	4,11,63,573
	Total	72,68,28,93,935	73,95,88,61,625

Note No.	Particulars	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
7	Deferred Tax Liabilities (Net)		
	(a) Deferred Tax Liabilities		
	i) Depreciation	15,08,86,94,455	13,52,60,00,318
	Less :		
	(b) Deferred Tax Assets		
	i) Gratuity	1,46,48,08,720	1,06,79,95,293
	ii) Items covered u/s 43B of Income Tax Act, 1961	76,06,42,196	76,06,42,196
	iii) Leave Encashment	41,73,74,166	21,95,38,632
	iv) Disallowance u/s 14A	1,71,98,449	1,14,43,415
	Net	12,42,86,70,925	11,46,63,80,782
8	Other Non- Current Liabilities		
	Deposits	13,05,22,32,867	12,50,58,01,138
	Government Grant	42,20,48,318	38,15,40,614
	Others	42,36,356	42,36,356
		13,47,85,17,541	12,89,15,78,108
9	Long Term Provisions		
	Provision from Employment Benefit		
	Provision for Gratuity	4,19,38,19,910	3,09,23,15,965
	Provision for Leave Encashment	3,36,04,56,203	2,36,16,24,489
		7,55,42,76,113	5,45,39,40,454
10	Short Term Borrowings		
	Unsecured		
	i) Loan Repayable on Demand		
	Short Term Loan from Banks	1,80,00,00,000	4,69,94,80,952
		1,80,00,00,000	4,69,94,80,952
11.	Trade Payables	4,16,30,29,192	3,61,34,76,351
12.	Other Current Liabilities		
	(a) Unclaimed Open Market Bonds	84,80,000	84,80,000
	(b) Current maturities of Long term debt Others	6,97,68,27,793	4,99,86,13,464
	(c) Interest accrued but not due on borrowings	1,06,50,03,573	1,01,38,15,210
	(d) Amounts Payable to Related Parties	4,59,94,43,266	4,77,64,59,948
	(e) Other Liabilities & Provisions		
	i) Creditors for Capital Goods	1,36,63,95,016	2,00,15,75,651
	ii) Advances from Customers	1,48,16,879	2,66,85,640
	iii) Staff Related Liabilities and Provisions	2,05,02,62,416	56,22,36,726
	iv) Duties & Taxes Payable	1,59,97,280	2,68,47,612
	v) Other Payables	65,57,572	53,19,935
	vi) Other Provisions	18,01,600	- - -
		16,10,55,85,395	13,42,00,34,186
13	Short Term Provisions		
	Current Income taxes (net of tax paid)	1,78,62,87,539	31,14,90,048
		1,78,62,87,539	31,14,90,048

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

(All Figures in ₹)

Note No. 14 : Fixed Assets

Assets	Gross Block (At cost)			Depreciation / Amortisation				NET BLOCK	
	As at 01-04-2013	Additions	Deduction/ Adjustment	As at 31-03-2014	As at 01-04-2013	Depreciation for the period*	Deduction/ Adjustment	As at 31-03-2014	As at 31-03-2013
Tangible Assets									
Land	1,29,57,49,717	13,19,35,468	2,17,19,877	1,44,94,05,063	---	---	---	1,44,94,05,063	1,29,57,49,717
Leasehold Land, including development	74,50,02,824	7,15,97,084	(2,74,61,914)	78,91,37,994	7,77,52,969	21,86,721	---	70,91,98,304	66,72,49,855
Building	3,55,35,44,616	32,68,28,775	---	38,80,373,391	1,75,73,09,255	8,71,31,847	(26,36,032)	2,03,85,68,321	1,79,62,35,361
Hydraulic Works	26,30,00,846	8,51,60,839	(49,677)	34,81,12,009	18,38,79,654	34,32,270	1,46,38,422	14,61,61,663	7,91,21,192
Other Civil Works									
Railway Sidings	2,81,98,802	---	2,73,362	2,84,72,163	87,30,027	---	8,93,785	1,88,48,351	1,94,68,774
Roads & Others	7,07,00,92,228	99,93,69,703	(1,06,29,765)	8,05,88,32,165	1,17,52,95,271	30,24,09,458	(5,94,92,759)	6,64,06,20,195	5,89,47,96,957
Plant, Machinery & Equipment	1,07,74,51,82,233	8,95,57,36,672	(37,71,33,193)	1,16,32,37,85,712	42,02,67,16,132	4,03,47,46,591	1,50,09,20,628	68,76,14,02,362	65,71,84,66,101
Lines & Cable Network	60,19,29,78,502	5,12,99,77,101	(3,81,43,584)	65,28,48,12,018	24,54,80,33,368	2,54,14,30,665	89,54,640	38,18,63,93,345	35,64,49,45,134
Vehicles	19,86,72,705	1,17,50,885	(2,91,88,067)	18,12,35,523	13,17,98,853	73,25,930	(2,71,47,160)	6,92,57,900	6,68,73,852
Furniture & Fixtures	21,85,25,696	2,92,08,906	3,40,284	24,80,74,886	10,26,19,855	91,03,893	4,45,848	13,59,05,289	11,59,05,840
Office Equipment (Including Computers)	35,58,12,591	3,84,52,157	(12,44,695)	39,30,20,053	13,68,60,433	12,17,15,489	(9,11,68,005)	22,56,12,136	21,89,52,158
Capital Expenditure Resulting in Assets not belonging to the Company	3,82,37,494	---	---	3,82,37,494	---	---	---	3,82,37,494	3,82,37,494
Total	1,81,70,49,98,254	15,78,00,17,589	(46,15,17,371)	1,97,02,34,98,471	70,14,89,95,818	7,10,94,82,863	1,34,54,09,367	1,18,41,96,10,423	1,11,55,60,02,435
Intangible Assets									
Computer Software	24,44,00,725	---	---	24,44,00,725	10,95,36,596	4,56,36,865	---	8,92,27,265	13,48,64,130
Total	24,44,00,725	---	---	24,44,00,725	10,95,36,596	4,56,36,865	---	8,92,27,265	13,48,64,130
TOTAL of Tangible & Intangible Assets	1,81,94,93,98,979	15,78,00,17,589	(46,15,17,371)	1,97,26,78,99,196	70,25,85,32,414	7,15,51,19,728	1,34,54,09,367	1,18,50,88,37,688	1,11,69,08,66,565
Previous Year	1,61,37,94,68,367	21,03,57,99,640	(46,58,69,029)	1,81,94,93,98,979	65,94,10,55,188	4,40,64,65,204	(11,65,16,860)	1,11,69,08,66,565	95,43,84,13,179
Capital Work in Progress								40,09,34,36,023	40,39,96,26,137

* Depreciation for the period
Depreciation Charged during FY 2013-14 (Tangible & Intangible) **7,34,98,70,600**
Prior Period Depreciation (Net) **(19,47,50,872)**
Total Depreciation **7,15,51,19,728**

Note No.	Particulars	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
15	Non Current Investment		
	Investment in Joint Venture with Jaigad Power Transco Ltd (3,57,49,990 (PY 3,57,49,990) Equity Shares of ₹ 10 each)	35,75,00,000	35,75,00,000
	Investment in Joint Venture with Maharashtra Transmission Communication infrastructure Ltd.(MTCIL)	1,37,37,660	73,71,254
	Investment in Government Securities	3,34,89,03,600	3,50,60,07,100
		3,72,01,41,260	3,87,08,78,354
16	Long Term Loans and Advances		
	Unsecured, Considered Good		
	(a) Advances for Capital Assets	1,32,04,65,305	1,64,17,69,274
	(b) Security Deposit	15,43,54,795	12,34,50,231
	(c) Fixed Deposits Received from Supplier/ Contractors as Security Deposits	7,54,71,737	8,30,39,835
		1,55,02,91,836	1,84,82,59,339
17	Other Non Current Assets		
	(a) Claims for loss/damage to materials	58,251	58,251
	(b) Training Fee Paid to ITI on Behalf of Employees	8,338	3,46,787
	(c) PF Board of Trustees	4,00,65,491	4,92,82,886
		4,01,32,080	4,96,87,924
18	Inventories		
	Stores & Consumables	3,38,33,08,509	3,96,05,70,323
	Less:Provision for Material Losses Pending Investigation & Obsolete Materials	(10,18,41,186)	(12,68,93,898)
		3,28,14,67,323	3,83,36,76,425
	Inventories are carried at the lower of cost or net realisable value.		
19	Trade Receivables		
	(a) Over six months from the date they were due for Payment		
	Unsecured, Considered Good	1,16,72,43,466	45,41,57,561
	Unsecured, Considered Doubtful	---	---
	(b) Others		
	Unsecured, Considered Good	22,17,76,25,857	8,62,89,93,650
	Unsecured, Considered Doubtful	---	---
		23,34,48,69,324	9,08,31,51,211

Note No.	Particulars	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
20	Cash & Bank Balances		
	(a) Cash and Cash equivalents		
	Cash and Stamps on Hand	14,76,484	18,54,541
	(b) Bank Balances		
	Collection/Disbursement Accounts	29,38,73,035	46,34,07,401
		29,53,49,519	46,52,61,941
21	Current Investments		
	Investment in Government Securities	30,33,14,650	17,00,28,000
	Fixed Deposits with Banks	10,30,50,000	49,61,25,108
		40,63,64,650	66,61,53,108
22	Short Term Loans and Advances		
	Unsecured, Considered Good		
	(a) Advances to Suppliers	1,14,70,95,539	56,60,67,795
	(b) Loans & Advances to Employees	37,56,06,784	36,27,28,521
	(c) Other Loans and Advances	2,07,38,565	2,20,36,021
		1,54,34,40,887	95,08,32,337
23	Other Current Assets		
	Unsecured, Considered Good		
	(a) Prepaid Expenses	1,35,52,862	66,21,362
	(b) Interest & Other Income Receivable	12,64,75,054	10,33,45,114
	(c) Income Tax (Net of Provisions) Previous Years	2,54,99,09,711	2,50,90,12,577
	(d) Expenses Recoverable	2,52,40,026	2,78,30,940
	(e) Miscellaneous Expenditure Not written Off	- - -	- - -
	(f) Others	8,18,00,435	8,37,52,536
		2,79,69,78,088	2,73,05,62,529

Note No.	Particulars	2013 - 14 (₹)	2012 - 13 (₹)
24	Revenue from Operations.		
	(a) Transmission charges recoveries	51,52,22,24,448	32,78,21,16,670
	(b) Transmission charges recoveries (Goa)	20,57,85,000	20,57,85,000
	(c) Transmission charges recoveries (Dadra Nagar)	69,59,41,616	69,62,21,161
	(d) Open Access Charges	8,37,99,082	3,06,07,567
	(e) SLDC Charges	25,63,10,000	14,24,68,000
	(f) Rescheduling Charges	1,21,17,000	1,75,17,000
		52,77,61,77,146	33,87,47,15,398
25	Other Operating Revenue		
	Sale of Scrap	35,22,60,661	39,43,49,677
		35,22,60,661	39,43,49,677
26	Other Income		
	(a) Interest income	33,44,54,136	21,46,64,989
	(b) Rent	69,46,030	70,25,914
	(c) Income from hire charges from contractors and others	300	18,098
	(d) Excess provision written back	- - -	4,17,79,609
	(e) Profit on sale of fixed assets	10,96,52,276	12,93,34,073
	(f) Sale of tender forms	1,49,42,194	1,56,66,820
	(g) Other Miscellaneous Income	1,36,21,07,898	1,60,14,22,459
	(h) Foreign Exchange Gain	- - -	43,30,15,295
		1,82,81,02,834	2,44,29,27,257
27	Repair & Maintenance Expenses		
	(a) Plant & Machinery	1,91,50,78,105	2,42,31,03,117
	Others	2,11,18,622	2,57,35,614
	(b) Less: Repairs and maintenance expenses capitalised	(4,64,20,452)	(3,33,13,216)
		1,88,97,76,274	2,41,55,25,514
28	Employee Benefit Expenses		
	(a) Salaries, allowances, Bonus etc.	6,98,07,38,334	5,42,39,76,058
	(b) Staff welfare expenses	7,82,15,602	7,68,28,937
	(c) Other staff costs	7,20,70,570	6,28,22,021
	(d) Leave encashment	1,51,00,33,172	93,47,40,329
	(e) Gratuity	1,82,43,28,691	37,18,29,084
	(f) Contribution to Provident & Other Funds	71,70,01,637	53,67,45,433
	(g) Less: Employees cost capitalised	(71,26,56,996)	(84,33,33,231)
		10,46,97,31,010	6,56,36,08,631

Note No.	Particulars	2013 - 14 (₹)	2012 - 13 (₹)
29	Finance Cost		
	(a) Interest Expenses		
	i) Interest to Bank	97,71,96,623	89,07,74,242
	ii) Interest to Others	8,21,08,01,878	7,32,01,37,860
	(b) Other Finance Costs		
	i) Guarantee charges	3,43,26,700	3,10,88,552
	ii) Miscellaneous Finance Costs	16,95,449	1,53,08,091
	(c) Less: Interest and Finance Charges Capitalised	(1,59,56,62,302)	(2,85,25,00,000)
		7,62,83,58,348	5,40,48,08,745
30	Other Expenses		
	(a) Advertisement Expenses	30,22,653	49,04,254
	(b) Advertisement of tenders / notices and other purchase related advertisement	5,74,28,173	4,31,37,731
	(c) Auditor's Remuneration		
	i) Statutory Audit Fees	15,00,000	15,00,000
	ii) For Reimbursement of Expenses	11,96,640	11,96,640
	(d) Bad debts written off	26,110	19,440
	(e) Electricity Charges	43,90,07,985	43,59,10,847
	(f) Freight Charges	1,57,98,985	2,64,02,637
	(g) Government Inspection Fees	15,18,760	5,12,95,831
	(h) Insurance	3,20,33,000	2,28,30,024
	(i) Legal & Professional Fees	4,61,07,706	5,81,02,917
	(j) Membership & Subscription	6,91,01,269	6,97,85,604
	(k) Miscellaneous Expenses	13,05,76,852	13,09,92,078
	(l) Miscellaneous losses and provisions	6,06,21,705	11,96,87,567
	(m) Octroi Charges	26,90,075	1,82,53,306
	(n) Postage Telephone & Telex	4,16,50,372	4,03,32,436
	(o) Printing & Stationery	2,50,00,336	2,64,54,748
	(p) Rent	12,03,20,605	13,33,12,884
	(q) Rates & Taxes	6,77,02,034	8,84,94,564
	(r) Security Expenses	44,06,63,631	45,15,27,227
	(s) Travelling & Conveyance	8,83,21,105	9,06,41,548
	(t) Upkeep of office	7,80,13,977	7,75,73,290
	(u) Vehicle Running & Maintenance Expenses	6,39,26,613	5,24,36,045
	(v) Water charges	5,24,63,404	4,36,68,347
	(w) Expenditure on Hire	11,95,18,358	10,26,17,203
	(x) Foreign Exchange Loss	23,51,12,632	- - -
	(y) Less: Administration and HOS expenses capitalised	(10,67,06,573)	(13,87,36,870)
		2,08,66,16,407	1,95,23,40,297

Note No.	Particulars	2013 - 14 (₹)	2012 - 13 (₹)
31	Prior Period Expenses/(Income) (Incomes)		
	Other income	(9,92,53,631)	(12,03,22,876)
	Excess Provision of Depreciation for Prior Periods	---	(14,18,54,868)
	Income Due to Revaluation In Stock	---	---
	Expenses		
	Operating expenses	10,05,13,213	8,78,95,622
	Employee costs	4,06,04,215	7,45,06,425
	Administration and other expenses	1,08,74,010	5,39,06,006
	Materials related expenses relating to prev. year	6,59,11,782	30,67,03,867
	Short Provision of Depreciation for prior period	19,47,50,872	1,42,155
	Interest and other finance charges	(84,158)	52,426
	Loss Due to Revaluation of Stock	---	17,16,377
		31,33,16,302	26,27,45,134
32	Tax Expenses		
	(a) Current tax	7,22,51,22,786	3,11,41,63,489
	(b) Deferred tax	96,22,90,142	2,06,71,59,098
		8,18,74,12,928	5,18,13,22,587

33. Contingency Reserve and Special Reserve:

As per directions of M.E.R.C. vide their order No. 39 of 2013 dated 13th February, 2014, the company has appropriated, an amount of ₹ 47,87,00,000 (Previous Year ₹ 40,10,00,000) towards Contingency Reserve and ₹ 15,88,00,000 (Previous Year ₹ 1,23,00,000) towards Special Reserve.

34. Secured Loans :-

Loan Secured By				
Name of the Institution	Guarantee from State Government	Hypothecation against Future Assets	Mortgage Against existing Assets	Total (₹)
REC	58,67,49,977	38,58,86,77,791	---	39,17,54,27,768
PFC	16,24,93,571	26,11,69,22,219	---	26,27,94,15,790
LIC	---	---	16,80,00,000	16,80,00,000
Union Bank of India	---	1,80,40,80,932	---	1,80,40,80,932
Bank of Baroda	---	92,52,93,845	---	92,52,93,845
Bank of Maharashtra	---	2,09,40,15,399	---	2,09,40,15,399
IFC	---	---	2,29,31,24,999	2,29,31,24,999
OBC	---	1,65,43,81,965	---	1,65,43,81,965

Repayment Schedule of Long Term Loan Liabilities

Particulars	Rural Electrification Corporation	Power Finance Corporation	Union Bank of India	Bank of Baroda	Bank of Maharashtra	IFC	JICA	LIC	OBC
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan
Loan Amount	Up to Borrowing Limit	Up to Borrowing Limit	₹. 335.70 Crs.	₹.264 Crs.	₹.395.40 Crs.	₹.244.60 Crs.	₹.623 Crs. (16749 million Yen)	₹.33 Crs.	₹.276.73 Crs.
Period (Term)	13 Years (3 + 10)	17 Years (2 + 15)	15 Years (2 + 13)	15 Years (2 + 13)	15 Years (2 + 13)	11 Years (3 + 8)	15 Years (5 + 10)	15 Years (12 + 3)	10 Years
Moratorium Period	3 Years	2 Years	2 Years	2 Years	2 Years	3 Years	5 Years	3 Years	- - -
Repayment	Repayment is ongoing	Repayment is ongoing	Repayment is Started	Repayment is Started	Repayment is Started	Repayment is Started	Repayment is Started	Repayment is ongoing	Repayment is Started
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Debt Restructuring
Rate of Interest (Floating)	12.25 %	12.00 %	11.60 % p.a. With monthly rest & with annually reset	11.60 % p.a. With monthly rest & with annually reset	11.75 % p.a. With monthly rest & with annually reset	11.64 %	0.75 %	9 %	10.85 %
Terms of Payment	Quarterly	Quarterly	156 monthly installments	156 monthly installments	156 monthly installments	Semi Annually	Semi Annually	Semi Annually	Quarterly & yearly
Upfront Fees	0.01% of Loan Amount	0.10% of the loan Sanctioned on or before Execution of MOA	Nil	Nil	Nil	1% of the Loan Sanctioned	Nil	Nil	Nil
Commitment Charges	0.25% p.a. on undrawn Amount of Quarter till the Date of Actual Drawal	0.25% p.a. on undrawn Amount of the Previous Quarter from the first day of following Quarter till the Actual Date of Drawal	Nil	Nil	Nil	0.50% of the undrawn amount of Loan has not been disbursed	Nil	Nil	Nil
Margin Money Requirement (Equity)	20.00 %	30.00 %	20.00 %	20.00 %	20.00 %	20.00 %	VAT, CST/ED Paid by MSETCL	Nil	Nil

Foreign Currency Loan

Loan Secured by	JICA (₹)	JICA (¥)	TOTAL (₹)
Guarantee from Central Government	5,22,49,49,726	8,87,38,98,140	5,22,49,49,726

35. Loans and Advances include amounts recoverable from the Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 as under:

Name of the Company	2013-14 (₹)	2012-13 (₹)
Maharashtra State Power Generation Co.Ltd.	(4,50,09,159)	31,53,39,479
Maharashtra State Electricity Distribution Co.Ltd.	2,11,70,41,061	1,94,57,70,682
MSEB Holding Company Limited	33,77,59,909	22,64,00,509
MSEB Residual Co.(From Government of Maharashtra to MSEB Holding Company)	9,08,204	9,08,382
Total	2,41,07,00,015	2,48,84,19,052

36. Amount of ₹ 1,49,11,000/- is due from CIPCO Ltd, which is considered as good this FY 2013-14. In the next year, if not recovered, provision for doubtful debts will be made in FY 2014-15.

37. 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 No. 5(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 ₹ 908 lacs (P.Y. ₹ 2156 lacs) 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 ₹ 908 lacs (P.Y. ₹ 2156 Lacs) by crediting the Prior Period Income due to which balance of Profit & Loss Account and stock of 'stores & spares' are higher by ₹ 908 Lacs (P.Y. ₹ 2156 Lacs).

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 ₹ 1,39,200 (Previous Year ₹ 12,68,93,898) for the same.

38 Capital Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 3,61,51,04,000 (Net of Advances of ₹ Nil) (Previous Year - ₹ 20,68,39,00,000)

39. Managerial Remuneration :

Particulars	2013-14 (₹)	2012-13 (₹)
Salary & Allowance	52,23,793	55,70,358
Contribution to PF & Other Funds	10,12,738	9,49,275
Total	62,36,531	65,19,633

40. Remuneration to Statutory Auditors :

Particulars	2013-14 (₹)	2012-13 (₹)
For Audit	15,00,000	15,00,000
Reimbursement of out of pocket expenses	9,00,000	9,00,000
Service Tax	2,96,640	2,96,640
Total	26,96,640	26,96,640

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

Particulars	2013-14 (₹)	2012-13 (₹)
Components and Spare parts	Nil	Nil
Capital Goods	Nil	Nil

42. Expenditure / Earning in Foreign Currency on cash basis :

Particulars	2013-14 (₹)	2012-13 (₹)
Interest on foreign Currency Bank Loan	4,10,10,050	4,65,16,644

43. Amount remitted during the year in foreign currencies on account of Dividend : ₹ Nil
(Previous year - ₹ Nil)

44. Particulars of income derived from Transmission of Electricity

Particulars	2013-14	2012-13
Total Energy Transmitted (in Million Units) (Net)	1,22,291	1,20,262
Income from operations (₹)	52,77,61,77,146	33,87,47,15,398

45. 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 as required by Part II of Schedule VI are not made.

46. 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 ₹ 6.52 Crores (P.Y. ₹ 59.42 Crores 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:

(₹ in Crore)

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Liability for subscriptions and interest payable to employees at the end of year	978.73	925.95
Fair Value of Plan Assets at the end of year	979.62	933.99
Net Liability	(0.89)	(8.04)

Description of Plan Assets :

Particulars	For the year ended 31 st March, 2014 (In %)	For the year ended 31 st March, 2013 (In %)
Special Deposit Schemes	33.68	35.07
Bonds issued by public sector enterprises	33.14	33.53
State Government Securities	14.90	15.10
Central Government Securities	17.38	15.36
Other	0.90	0.94

(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, 2014 and recognized in the financial statement in respect of Employee Benefit Schemes:

Expenses recognized in the Statements of Profit and Loss

(₹ in Crore)

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Components of Employer Expense	Gratuity Unfunded	Gratuity Unfunded
Current Service Cost	12.84	10.49
Interest Cost	24.74	28.28
Actuarial Losses / (Gains)	138.26	-8.81
Total employee expense recognised in the Statement of Profit and Loss	175.84	29.96

Reconciliation of Defined Benefit Obligation

(₹ in Crore)

Change in Defined Benefit Obligations	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	Gratuity Unfunded	Gratuity Unfunded
Present Value of Defined Benefit Obligation at the beginning of period	309.23	332.76
Current Service Cost.	12.84	10.49
Interest Cost.	24.74	28.28
Less : Benefits Paid	65.69	53.50
Actuarial Losses/(Gains)	138.26	8.81
Present Value of Defined Benefit Obligation at the end of period.	419.38	309.23

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:

Actuarial Assumption	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	Gratuity Unfunded	Gratuity Unfunded
Increment Rate	5 %	5 %
Rate of discounting	9.35 %	8 %
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

47. 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.

48. 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

ii) Key Management Personnel :

Shri Arvind Singh	Chairman & Managing Director (Ceased w.e.f. 23.01.2014)
Shri Bipin Shrimali	Chairman & Managing Director (w.e.f. 10.02.2014)
Shri P. G. Mohite	Director (Finance)
Dr Jyoti Arora	Company Secretary

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

(a) Balance at the year end :

Nature of Transactions	Name of Company - Jaigad Power Transco Limited (₹)
Equity Share Capital	35,75,00,000

**(b) 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 ₹ 37,37,660/- 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 FY2013-14. During FY 2013-14, MSETCL has paid ₹ 1,00,00,000/- against which shares yet not been allotted by MTCIL.

49. Disclosures regarding leases (AS 19) :

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

i) Operating Leases:

Particulars	2013-14 (₹)	2012-13 (₹)
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	9,58,44,940	9,66,67,191
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.	9,56,14,589	9,64,29,137
Later than one year and not later than Five years	28,60,62,732	18,78,474
Later than five years		

ii) Finance Leases:

The Company has not entered into any material financial lease.

Note: - The Lease Agreement has been entered with Power Finance Corporation Limited, (PFC Limited) New Delhi on 21st May, 1997 with erstwhile Maharashtra Electricity Board, Certain equipments have been leased by PFC Limited (Lessor) which is in the nature of Fixed Non cancellable Period of Lease. Although the Terms and conditions of Lease agreement indicate it to be in the nature of a Finance Lease, it has been treated as an Operating Lease for the purpose of Accounting as it is entered into by erstwhile MSEB before the incorporation of the company and before AS -19 was made mandatory.

50. Earnings per Share (AS 20) :

Particulars	2013-14 (₹)	2012-13 (₹)
Profit After Tax as per Account (For Basic and Diluted Earnings Per Share) - (A) (₹)	17,03,14,58,772	10,38,34,63,506
Weighted Average number of shares outstanding during the year for basic EPS (Nos.) - (B)	50,000	50,000
Add.: Effect of potential equity shares on issue of shares against share suspense account	2,69,59,92,045	2,69,59,92,045
Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) - (C)	2,69,60,42,045	2,69,60,42,045
Basic Earnings Per Share (₹) (A) / (B)	3,40,629	2,07,669
Diluted Earnings Per Share (₹) (A) / (C)	6.32	3.85

51. Current Taxation :

The Company has made Provision of income tax for the current year for ₹ 7,22,51,22,786/-

52. Deferred Taxation (AS 22) :

	Deferred Tax Liabilities/Liability as at 01.04.2013	Debit/Credit for the current year debited / credited to Profit and Loss Account	Deferred Tax Asset/Liability as at 31.3.2014
a) Deferred Tax Liabilities			
Fixed assets / Depreciation	13,52,60,00,318	1,56,26,94,137	15,08,86,94,455
Total	13,52,60,00,318	1,56,26,94,137	15,08,86,94,455
b) Deferred Tax Asset			
i) Gratuity	1,06,79,95,293	39,68,13,427	1,46,48,08,720
ii) Item covered u/s 43B	76,06,42,196	- - -	76,06,42,196
iii) Leave Encashment	21,95,38,632	19,78,35,534	41,73,74,166
iv) Disallowance u/s 14 A	1,14,43,415	57,55,034	1,71,98,449
Total	2,05,96,19,536	60,04,03,995	2,66,00,23,531
Deferred Tax Liabilities / Assets (Net)	11,46,63,80,782	96,22,90,142	12,42,86,70,925

53 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 02nd December 2011.

During the FY 2008-09, the Company had paid ₹ 15,21,76,700 to acquire 1,52,17,670 Nos. of equity shares of JPTL. Further during the FY 2010-11 the Company had paid ₹ 15,05,24,140 to acquire 1,50,52,414 Nos. of equity shares of JPTL and during FY 2011-12, the company had paid ₹ 5,47,99,160 to acquire additional 54,79,916 number of equity shares of JPTL. Thus the total equity shares of JPTL held by MSETCL is ₹ 35,75,00,000 (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, 2014 and income and expenses based on audited financial statement for the year ended on that date are given below:

Particulars	31-03-2014 (₹)	31-03-2013 (₹)
Assets		
Long Term Assets	1,23,66,57,399	1,31,56,05,332
Current Assets	28,73,69,983	37,86,16,689
Liabilities		
Long Term Liabilities	82,10,30,437	87,84,56,541
Current Liabilities and Provisions	19,97,67,663	36,35,10,770
Contingent Liabilities	Nil	Nil
Capital Commitments	Nil	11,96,524
Income	31,47,97,657	23,92,43,585
Expenses	26,38,23,086	23,93,12,222

- (b) Maharashtra Transmission Communication Infrastructure Limited (MTCIL) is a joint venture between the company (49%) and Sterlite Technologies Limited (51%). 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, 2014 and Income and expenses based on audited financial statement for the year ended on that date are given below.

Particulars	31-03-2014 (₹)	31-03-2013 (₹)
Assets		
Long Term Assets	5,32,62,353	2,69,00,613
Current Assets	7,26,205	6,44,585
Liabilities		
Long Term Liabilities	42,816	- - -
Current Liabilities and Provisions	2,26,82,536	82,94,250
Contingent Liabilities	Nil	Nil
Capital Commitments	Nil	Nil
Income	34,300	29,400
Expenses	15,14,703	60,13,452

54. 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.

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

- 1) 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.

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 ₹ 33,37,651/- (matter-I) and ₹ 11,96,801/- (matter- II) to Contractor and interest @15% per annum there on 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 ₹ 6,53,608/- (Matter-I) and ₹ 2,63,468/- (Matter-II) and interest on total amount of award at 15% p.a. from the date of award till the date of payment.

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 ₹ 69,33,284/- i.e. total liability including interest upto 31/03/2014 is ₹ 82,39,794/- less amount deposited in the court of ₹13,06,510/-.

- 2) 132 KV Shahada-Taloda line erection work was given to M/s Mistry Construction Co., at cost of ₹ 9,25,000/- 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 ₹ 6,96,980/- to the contractor towards final bill after recovering ₹ 10,354/- from the petitioner which is due to MSETCL & ₹ 1,54,322/- against supply of water cost, risk. The MSEB had deposited ₹ 5,32,000/- in the court by deducting the above mentioned 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.

The case is still pending at High Court of Mumbai Bench at Aurangabad. The contingent liability may amount to ₹ 5,32,000/-

- 3) 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 ₹ 57,73,465/- with interest @ 18% per annum that amounts to ₹ 20,78,448/- 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 ₹ 81,14,594/- from MSETCL. Now the case is under arbitration with zonal office Amaravati.
- 4) 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 pump, providing metal spreading etc at 132/33 KV S/s, Sindewadi, Dist. Chandrapur. M/s. S. K. Sahni has claimed ₹ 19,27,057/- from MSETCL on account 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 19/06/2013. The contingent liability in this case amounts to ₹ 19,27,057/-.

- 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 ₹ 1,45,58,422/- 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 ₹ 80,38,922/- 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 ₹ 71,73,849/- 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 descendent and ordered MSETCL to pay ₹ 13,53,710/- 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 ₹ 13,53,710/- in the court on 08/09/2011. However, Mr. Bahiru R. Gunjal (Late) & his descendent 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 Shegaon claiming additional compensation for land acquired for erection of 132KV S/station at Shegaon. The Civil Court Shegaon has held the case against MSETCL and has ordered MSETCL to pay the additional compensation ₹ 55,40,070/- against which MSETCL has appealed before Hon'ble High Court for 50% of amount i.e. ₹ 27,70,035/- and deposited ₹ 27,70,035/- in the Court. After that Court permitted withdrawal of ₹ 15,00,000/- and balance amount ₹ 12,70,035/- remained with Court.

The Contingent liability in the case is ₹ 12,70,035/-.

- 8) M/s. Ganesh Engg. Company, Nagpur has filed a suit in Nagpur District Court claiming dues of ₹ 80,95,925/- 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 ₹ 3,08,426/- was filed by erstwhile MSEB against above agency towards recovery of charges of T&P, Material, Vehicle etc. Hon. Court has decided the aforesaid matter in favour of M/s Ganesh Engg. Co. and directed to pay the claim ₹ 80,95,925/- alongwith interest @ 6% from the date of filing of suit (27.04.1993) till the scheduled date of deposit (20.08.2009) which amounts to ₹ 73,23,606/-. 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 ₹ 1,60,35,410/- in the Court.

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/s Ganesh 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. The contingent liability in this case may amount to ₹ 1,60,35,410/-

- 9) The Micro and Small Enterprises Facilitation Council (MSEFC) passed the order dated 28th January 2010 directing MSETCL to pay total interest of ₹ 2,67,69,176/- i.e. M/s Minerva Switchgears, Nagpur ₹ 1,94,60,028/- and M/s Sigma Transformers Pvt. Ltd. ₹ 73,09,149/-. Out of total interest claim, MSETCL has deposited ₹ 2,00,76,884/- on 26/04/2010 towards 75% of the claim with the "Principal District and Session Judge, Nagpur" while filing an appeal. The contingent liability in this case may amount to ₹ 2,67,69,176/-.

- 10) Disputed Statutory Dues aggregating ₹ 2,28,88,00,000/- that have not been deposited on account of disputed matters pending before appropriate authorities are as under.
- 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 ₹ 22,00,000/-.
 - Rectification appeal u/s 154 for AY 08-09 was made before Dy. CIT. Rectification Order dt 14/03/2011 filed in the Office of ACIT- 10(1). However, the same has not been acted upon. Contingent liability in this case is ₹ 3,28,00,000/-
 - 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 ₹ 190,01,00,000/-.
 - Rectification application against demand of ₹ 18,00,000/- has been filed and the same is pending. Contingent liability in this case is ₹ 18,00,000/-.
 - Appeal for A.Y. 2010-11 was made before ITAT. The proceedings before CIT(A) are under process, Contingent liability in this case is ₹ 35,19,00,000/-.
11. The dispute regarding additional compensation payable for land acquired for the following substations is pending before court. Interest and other charges that may be payable after court's decision are not considered here.

Name of Sub Station	Expected Cash Outflow	Amount Deposited in Court	Profit Centre
132 KV Chopda S/s, Jalgaon	54,03,507	27,01,054	5710
132 KV Chopda S/s, Jalgaon	84,14,281	Nil	5710
220 KV Shahada S/s, Nandurbar	75,94,000	Nil	5710
132 KV Sangamner S/s	Nil	79,70,674	5710
100 KV Nerul S/s	10,00,000	Nil	7700
132 KV S/s, Shahada, Nandurbar	10,25,000	10,00,000	5710
132 KV S/s, Ahmedpur, Dist. Latur	1,07,00,000	10,80,000	2730
132 KV S/s, Ahmedpur, Dist. Latur	6,69,000	Nil	2730
220 KV S/s, Osmanabad	25,00,000	Nil	2730
220 KV S/s, Beed	79,26,000	Nil	2730
132 KV S/s, Chakur, Dist. Latur	10,72,00,000	1,00,00,000	2730
132 KV S/s, Renapur, Dist. Latur	1,25,00,000	20	2730
132 KV S/s. Kallamb, Dist. Osmanabad	3,49,000	Nil	2730
132 KV S/s, Kundalwadi, Dist. Nanded	17,66,000	10,00,000	2720
132 KV S/s, Umari Dist. Nanded	8,19,592	8,19,592	2720
132 KV S/s, Himayatnagar, Dist. Nanded	27,54,000	Nil	2720

132 KV S/s, Kundalwadi, Dist. Nanded	2,29,000	75,000	2720
132 KV S/s, Gangakhed, Dist. Parbhani	41,72,000	Nil	2720
132 KV (Proposed) S/s Jattarodi, Nagpur	6,14,74,000	Nil	4710
220 KV S/s Kanhan, Nagpur	10,19,940	Nil	4710
220 KV Amlner S/s Dist Jalgaon	12,50,000	6,00,000	5710
400 KV Dhule S/s Dist Dhule	15,54,000	Nil	5710
132 KV Parola S/s Dist Jalgaon	57,90,720	Nil	5710
220 KV Jamde S/s Dist Dhule	10,00,000	Nil	5710
220 KV Bhenda S/s Nashik	13,30,000	Nil	5710
132 KV S/s Takli, Nashik	69,45,707	Nil	5710
400 KV Koradi Wardha, Nagpur	17,00,000	Nil	4610
400 KV Koradi Wardha, Nagpur	1,00,00,000	Nil	4610
220 KV Koradi-II, Khaperkheda, Nagpur	3,28,00,000	Nil	4610
220 KV Koradi-II, Khaperkheda, Nagpur	2,20,00,000	Nil	4610

56 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 & interest on the loans for these projects has been capitalised.

57 Other Notes

- 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.
- 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.
- Previous year's figures have been regrouped wherever necessary for appropriate presentation of Financial Statements to comply with the provisions of Revised Schedule 'VI' as per the Companies Act, 1956.
- VAT refund will be accounted for in the books as and when received.
- Accounting for Delay Payment Charges on Distribution Licensees is uncertain and yet not waived by MERC. Delay Payment Charges for the F.Y. 2013-14 have not been booked as income.
- Quoted value of Investment in Government Securities as on 31.03.2014 is ₹ 3,61,08,80,000/-

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

Siddharth Jain
Partner
M. No: 104709

Place : Mumbai
Date : 19/09/2014

For Maharashtra State Electricity Transmission Company Limited

Sd/-
P. G. Mohite
Director(Finance)

Sd/-
Bipin Shrimali
Chairman & Managing Director

Sd/-
Dr. Jyoti Arora
Company Secretary