



MAHATRANSCO

Maharashtra State Electricity Transmission Co. Ltd.
(CIN NO. U40109MH2005SGC153646)

GST No. 27AAECM2936N1Z2

ANNUAL REPORT F. Y. 2017 - 2018





MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

13th Annual Report for the period of 2017-2018

CONTENTS

Sr. No.	Particulars	Page No.
1	Corporate Details.....	
2	Directors' Brief Profile.....	
3	Directors' Report.....	
4	Annexure to Directors' Report.....	
5	Balance Sheet.....	
6	Profit & Loss Statement.....	
7	Cash Flow Statement.....	
8	Statement of Changes in Equity.....	
9	Notes to Financial Statement.....	
10	Consolidated Financial Statements.....	



MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

13th Annual Report for the period of 2017 - 2018

CORPORATE DETAILS

BOARD OF DIRECTORS*		
Sr. No.	NAME OF THE DIRECTORS'	DESIGNATION
1.	Shri. Parrag Jain Nainutia, IAS	Chairman & Managing Director
2.	Shri. Arvind Singh, IAS	Nominee Director
3.	Shri. G. T. Munde	Director (Operations)
4.	Shri. R. D. Chavan	Director (Projects)
5.	Shri. Vinayak Sathe	Director (Finance)
6.	Smt. Pushpa Chavan	Independent Director
7.	Shri. Vishwas Pathak	Independent Director

Ms. Vineeta Shriwani	Company Secretary
----------------------	-------------------

<p><u>COST AUDITORS</u> M/s. BJD Nanabhoy & Co. Cost Accountants</p>	<p><u>STATUTORY AUDITORS</u> M/s Khimji Kunverji & Co. Chartered Accountants</p>
---	---

REGISTERED OFFICE
Prakashganga, Plot No. C-19, "E" Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. Website: www.mahatransco.in (CIN No. U40109MH2005SGC153646) GST No. 27AAECM2936N1Z2

*As on 28.12.2018

DIRECTORS BRIEF PROFILE

Shri. Parrag Jaiin Nainutia - IAS **Chairman and Managing Director**



Shri Parrag Jaiin Nainutia (IAS) has joined as Chairman and Managing Director of Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) on 02.05.2018. He is a senior IAS officer of 1996 batch. He took charge from Shri Rajeev Kumar Mital, IAS. Prior to joining of MSETCL Shri Jaiin was posted as Special Commissioner in Sales Tax.

Mr Jaiin is B.Tech (Electrical & Electronics) from IIT Delhi with more than 20 years of experience in responsible roles in spheres of Management and Administration. He brings in rich expertise in team, project leadership, administration and management.

Shri. Arvind Singh - IAS **Nominee Director**



Shri Arvind Singh joined the Indian Administrative Service in 1988. Since February 2017, he is working as Principal Secretary (Energy), Government of Maharashtra. His previous assignment was as Minister (Economic), at the Embassy of India at Tokyo. Prior to assuming charge at Tokyo, he was Chairman & Managing Director of the Maharashtra State Electricity Transmission Company Limited. He has also worked in various Ministries in the State and Central Governments including Shipping, Commerce, Agriculture and Finance. He is an alumnus of St. Stephen's College, Delhi and has completed his graduate studies in Economics at the Delhi School of Economics. He has also attended mid-career training courses at the Graduate Institute, Geneva and Harvard University.

Shri. G.T. Munde **Director (Operations)**



Shri Munde was working as Chief Engineer of Aurangabad Zone of MSETCL. He has done Graduation in Electrical Engineering in the year 1982.

Shri Ganpat T. Munde was appointed as Director(Operations) of MSETCL w.e.f. 20.07.2017.

Shri. Ravindra D. Chavan
Director (Projects)

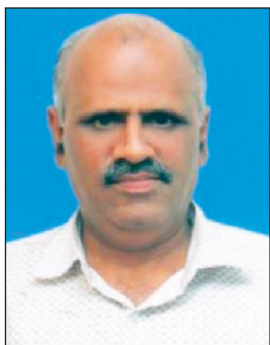


Shri Chavan has done BE in Electrical from Pune University and MBA (Finance) from YCMOU. He has certification as Lead Auditor, ISO 9000 accredited in IRCA, London. He is accredited Energy Auditor from Bureau of Energy Efficiency, GoI (BEE). Prior to joining as Director (Projects), Shri Chavan has worked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

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

Shri Chavan was appointed on the Board of MSETCL as Director(Projects) w.e.f 05.05.2015 for a period of three years. He has been again appointed as Director(Projects) w.e.f. 18.05.2018.

Shri. Vinayak Sathe
Director (Finance)



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

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

Smt. Pushpa Chavan
Independent Director



Smt. Pushpa Chavan is B.E.(Electrical), MBA (Finance) with an illustrious career spanning over 28 years in the areas of transmission & distribution of Energy in Maharashtra State Electricity Board. At present is holding the position of Chief Engineer (Bhandup), MSEDCL.

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

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

Shri. Vishwas Pathak
Independent Director



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

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

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



MAHATRANSCO

Maharashtra State Electricity Transmission Co. Ltd.

(CIN NO. U40109MH2005SGC153646)

GST No. 27AAECM2936N1Z2

DIRECTORS' REPORT
F. Y. 2017 - 2018

Contents of Directors' Report for F. Y. 2017-2018

Sr. No.	Subject
I	STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK (A) Maharashtra Transmission System Overview (B) Overview of Journey from formation of Company till March 2018 (C) Transmission licensee function (D) State Grid Operations (E) STU (F) Joint Venture (G) Human Resources
II	DIRECTORS AND KEY MANAGERIAL PERSONNEL (A) Directors (B) Declaration on Independent Directors (C) Performance Evaluation of Directors (D) Key Managerial Personnel (E) Meetings
III	FINANCIAL HIGHLIGHTS (A) Performance of the Company (B) Reserves (C) Change in Share Capital (D) Dividend (E) Internal Controls (F) Subsidiary and Associates Company. (G) Cost Auditors (H) Statutory Auditors (I) Explanation to the remarks of Statutory Auditors' Report (J) Deposits (K) Particulars of Loans, Guarantees or Investments (L) Related Party Transactions (M) Change in the Nature of Business, If any (N) Funding Arrangement/Institutional Borrowing
IV	OTHER COMPLIANCES (A) Secretarial Audit Report (B) Risk Management Policy (C) Extract of Annual Return (D) Material Changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report (E) Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future (F) Transfer of amounts to Investor Education and Protection Fund
V	CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
VI	CORPORATE SOCIAL RESPONSIBILITY (CSR)
VII	DIRECTORS' RESPONSIBILITY STATEMENT
VIII	ACKNOWLEDGEMENTS

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Directors' Report

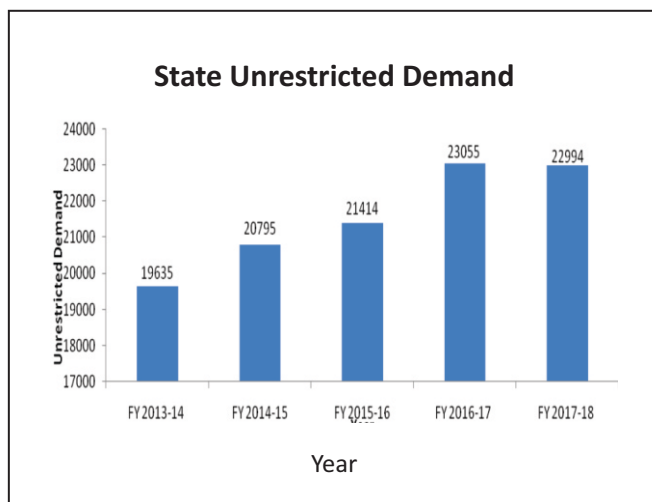
To,

The Members,

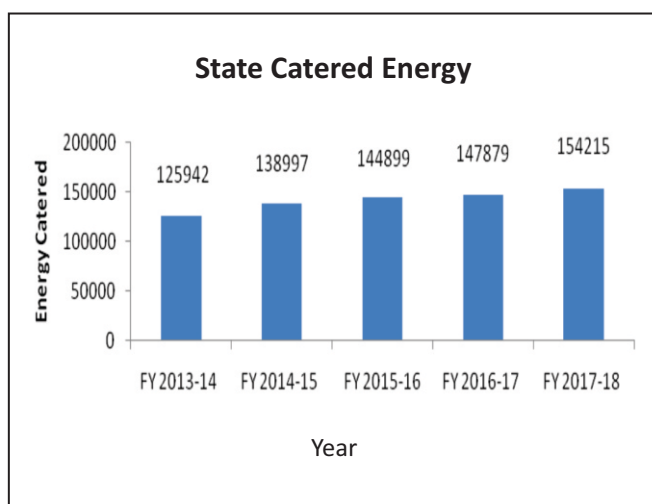
We are delighted to present the report on our business and operations for the Financial Year ended March 31, 2018.

I. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

(A) Maharashtra Transmission system overview



Peak Demand in MW					
Demand	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
State Unrestricted Demand	19635	20795	21414	23055	22994
State CATERED Demand	18803	20424	21064	22517	22994
MSEDCL Demand	17158	17694	18046	19745	19688
MUMBAI Demand	3217	3365	3368	3581	3592

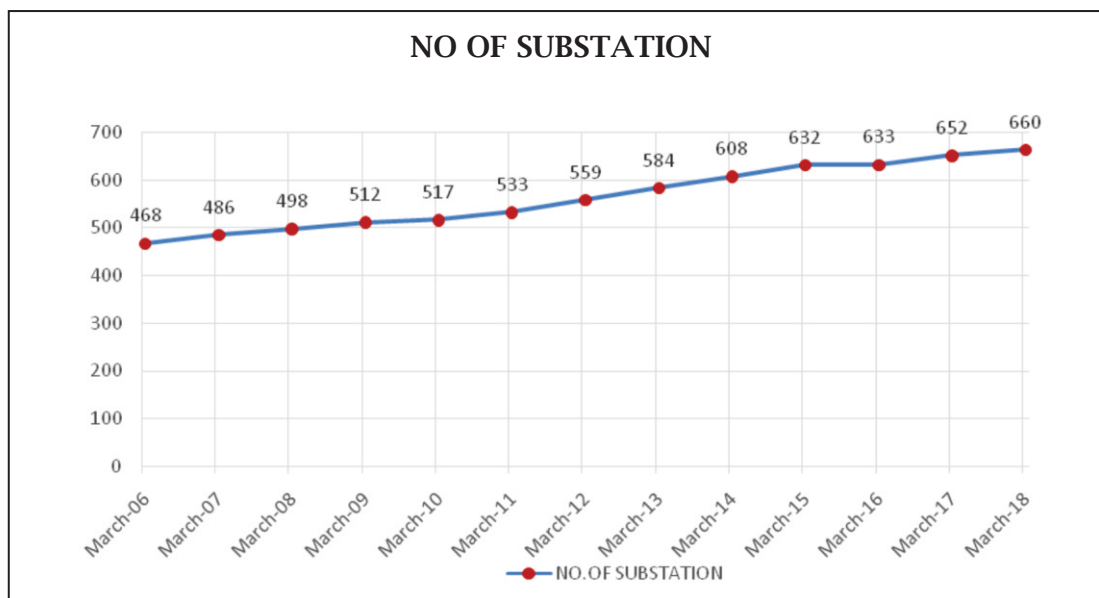


Energy Requirement in MUs					
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
State CATERED Demand	125942	138997	144899	147879	154215
MSEDCL	106461	118774	123870	127220	133158
MUMBAI	19481	20223	21029	20658	21057

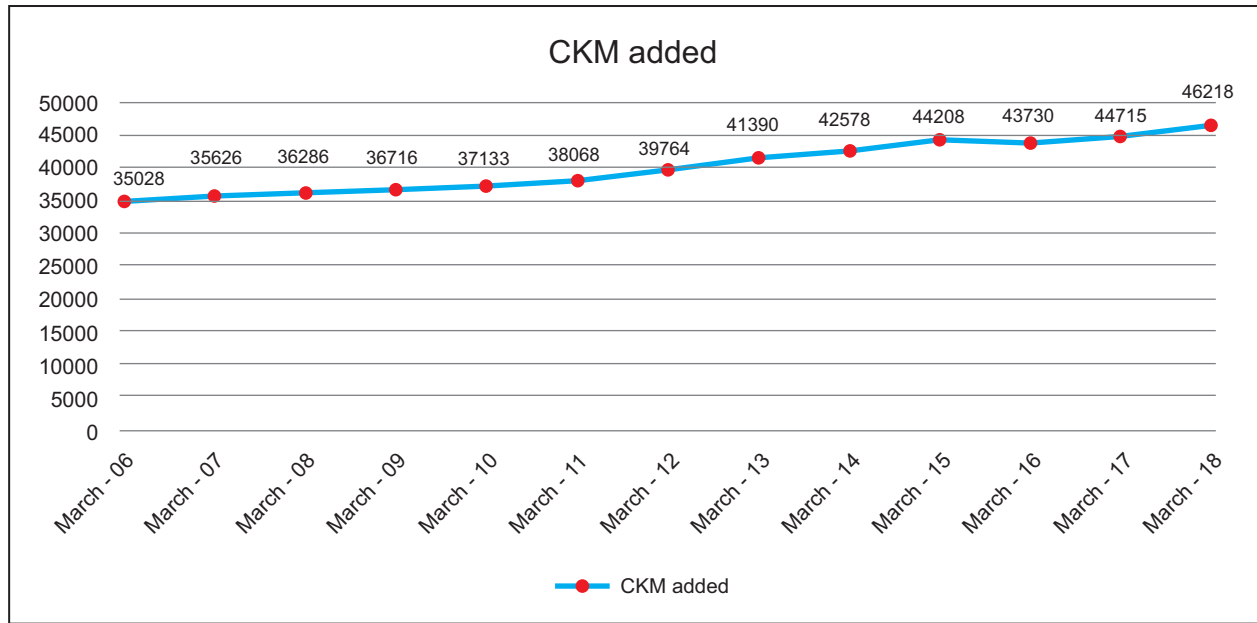
Peak Demand in MW					
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
State Unrestricted Demand	19635	20795	21414	23055	22994
State Catered Demand	18803	20424	21064	22517	22994
MSEDCL Demand	17158	17694	18046	19745	19688
Mumbai Demand	3217	3365	3368	3581	3592

(B) Overview of Journey from formation of Company till March 2018.

We have built and own 660 number of substation as on 31st March 2018 in comparison to 468 Nos. of substations in March, 2006 showing a compounded annual growth rate(CAGR) of 2.91%. Each new substation is being added not only to cater the demand but to give reliable & quality power on 24 x 7 basis along with stability of network as well as reducing the losses. With the addition of each new substation, one can understand the growth of transmission utility commensurate with additional generation capacity matching with demand.



Similarly we own a vast network of EHV transmission lines ranging from 66kV to 400kV & 500 kV HVDC. As on March-2006, we had 35028 Ckm of transmission lines, which is expanded to 46217.90 Ckm as on 31st March 2018, ranging from 66kV to 400 kV and 500kV HVDC lines with CAGR of 2.34%.



The voltage levelwise growth from 2005-2006 till March 2018 is as under:

Sr. No.	Voltage Class	Substations as on (Nos.)		EHV network as on (Ckm)	
		March-2006	March-2018	March-2006	March-2018
1	66 kV	42	7	3270	594.800
2	100 kV	25	38	678	701.403
3	110 kV	31	36	1637	1759.365
4	132 kV	217	322	10084.61	15454.444
5	220 kV	134	223	11478.28	17788.397
6	400 kV	17	31	6375.74	8415.497
7	765KV	0	1	0	0
8	500 kV HVDC	2	2	1504	1504
	TOTAL	468	660	35027.61	44617.7548

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

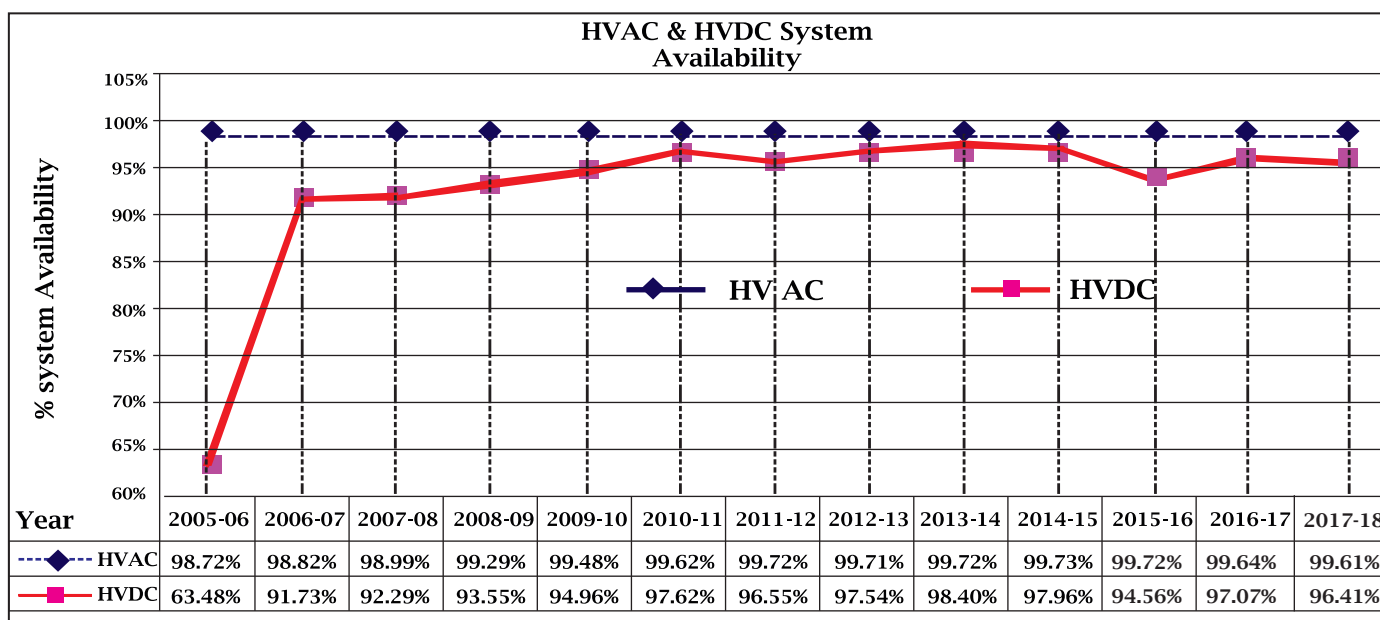
Present transmission network and related data (as on 31/03/2018)

Sr. No.	Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
1	500 kV HVDC	2	3582	1504
2	765 kV	1	3000	0
3	400 kV	31	30045	8415.497
4	220 kV	223	53185	17788.397
5	132 kV	322	28779.5	15454.444
6	110 kV	36	2330	1759.365
7	100 kV	38	2798	701.403
8	66 kV	7	127	594.800
	Total	660	123846.5	46217.906

(C)Transmission Licensee

(1) HVAC and HVDC System availability from 2005-2006 to 2017-18

Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
EHV AC Availability (in%)	(MERC Benchmark 98%)										(MERC Benchmark 98%)	
	98.82	98.99	99.29	99.48	99.62	99.72	99.71	99.72	99.73	99.72	99.64	99.61
HVDC Availability (in%)	(MERC Benchmark 92%)										(MERC Benchmark 95%)	
	91.73	92.29	93.55	94.96	97.62	96.55	97.54	98.40	97.96	94.56	97.07	96.41



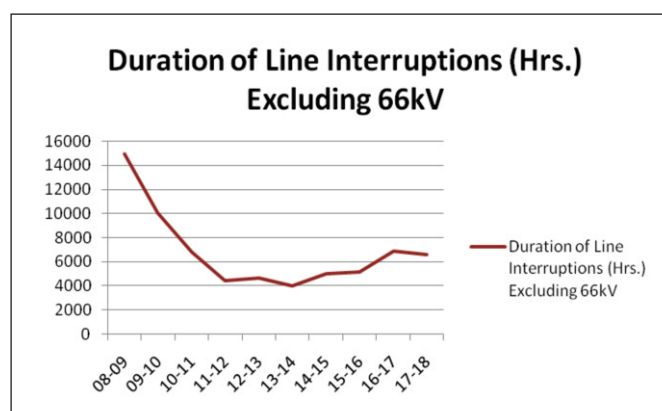
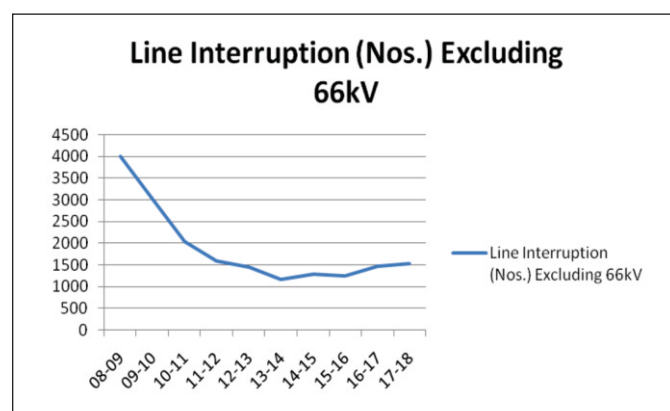
HVAC (High Voltage Alternate Current System) & HVDC (High Voltage Direct Current System) Availability Achievement from FY 2005-2006 to 2017-2018

Present Transmission System Availability & Losses as against MERC benchmark

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

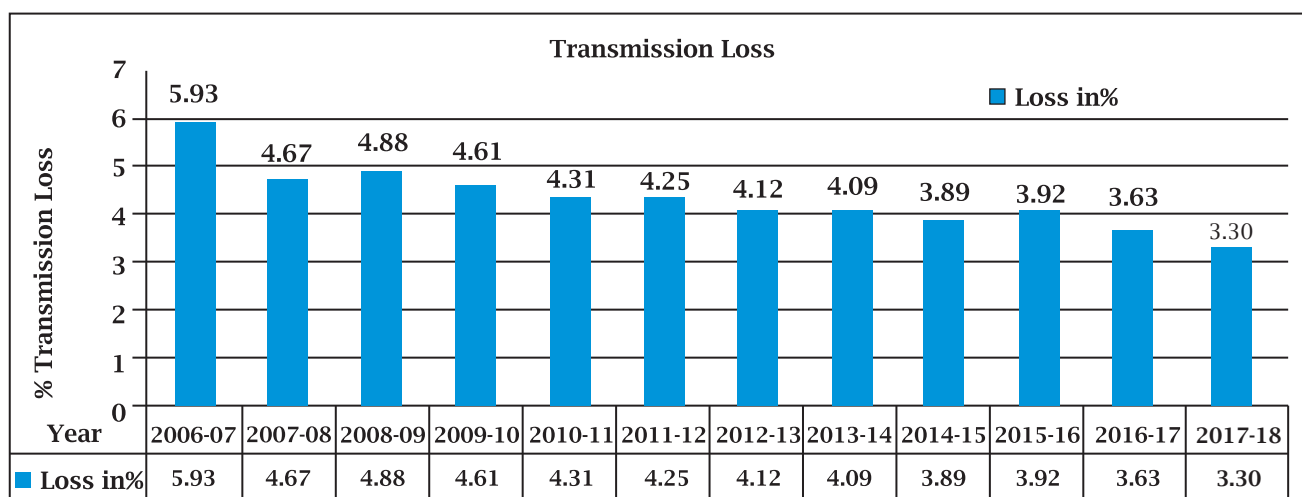
Equipment	Year	Total Number	Failure	% Failure
Current Transformers	2012-13	13153	54	0.41
	2013-14	13801	44	0.32
	2014-15	14818	32	0.22
	2015-16	15267	24	0.16
	2016-17	15910	19	0.12
	2017-18	16451	15	0.09
Circuit breaker	2012-13	4288	10	0.23
	2013-14	4481	7	0.16
	2014-15	4818	12	0.25
	2015-16	4923	5	0.10
	2016-17	5009	3	0.06
	2017-18	5157	4	0.08
Lightening Arrestors	2012-13	11165	52	0.47
	2013-14	12325	25	0.20
	2014-15	12627	28	0.22
	2015-16	12919	22	0.17
	2016-17	13291	21	0.16
	2017-18	13478	15	0.11
Transformer	2012-13	1515	19	1.25
	2013-14	1570	27	1.72
	2014-15	1626	22	1.35
	2015-16	1675	11	0.66
	2016-17	1713	16	0.93
	2017-18	1776	26	1.46

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



Year wise EHV Lines Interruptions (Numbers & Duration)										
Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Line Interruption (Nos.) Excluding 66kV	4007	3034	2045	1591	1454	1170	1299	1245	1467	1539
Duration of Line Interruptions (Hrs.) Excluding 66kV	14979	10021	6766	4426	4599	3970	4978	5118	6866	6554

(C) (2) Transmission Loss



Transmission Loss		
Sr. No.	Year	Transmission Loss in %
1	2006-07	5.93
2	2007-08	4.67
3	2008-09	4.88
4	2009-10	4.61
5	2010-11	4.31
6	2011-12	4.25
7	2012-13	4.12
8	2013-14	4.09
9	2014-15	3.89
10	2015-16	3.92
11	2016-17	3.63
12	2017-18	3.30

The Transmission loss of 3.30% in the year 2017-18 is reduced as compared to previous years and it is one of the best among utilities across the country.

(C)(3) Achievements against planning for the year 2017-18

Sr. No.	Voltage Class	Substations(Nos.)			Transmission Lines (Ckm)	
		Planned	Actual	MVA	Planned	Actual
1	500 kV HVDC	0	0	0	0	0
2	765KV	0	0	0	0	0
3	400 kV	1	1	2835	0	0
4	220 kV	5	4	1575	1181.19	1058.973
5	132kV	4	7	925	377.18	541.134
6	110 kV	0	0	25	0	0
7	100 kV	0	0	0	0	0.047
8	66 kV	0	0	0	0	0
	TOTAL	10	12	5360	1558.37	1600.154

- This shows that we have achieved an incremental growth rate in adding number of substations as well as Ckm of transmission lines.
- Against the targets of 10 Nos. of various voltage level substations, the actual achievement is 12 nos. which is 120%.
- Against the targets of 1558.37 Ckm of various voltage level lines, the actual achievement is 1600.154 Ckm, which is 102.68%.
- The EHV new substations commissioned during year 2017-18 : List attached as ANNEXURE 'I'.
- The EHV transmission lines commissioned during year 2017-18 : List attached as ANNEXURE 'II'.

Comparison of last five years							
Sr. No.	Particulars	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	Total
1	New Substations	24	24	24	19	12	103
	A. MVA addition due to New substations	1950	350	3850	2750	1250	10150
	B. MVA addition due to Additional transformers	2850	725	1565	4985	3575	13700
	C. MVA addition due to Replacement of transformers	636.5	675	337.5	663	535	2847
	Total MVA addition	5436.5	1750	5752.5	8398	5360	26697
2	EHV lines (Ckm)	1187.73	1629	2108.986	985	1600.15	7510.86
3	Capital Expenditure (Rs. in Crores)	1584	1419	1263	1190	836 (provisional)	6292

Future Road Map

The state has very high growth rate of development and power being vital engine for accelerating the growth, MSETCL has planned to construct 18Nos of new substations and 1265.256CkM of transmission lines for the period 2018-19, the voltage levelwise targets are tabulated below:

Sr. No	Voltage Class	Substation (No.)	Tr. Lines (CkM)
1	765 kv	0	0
2	400 kv	0	0
3	220 kv	9	554.756
4	132 kv	9	710.5
5	110 kv	0	0
6	100 kv	0	0
7	66 kv	0	0
	Total	18	1265.256

(C) (5) Challenges before Transmission Licensee

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

(D) State Grid Operations

State Load Dispatch Centre

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

The functions of State Load Dispatch Centre are as under:

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

SLDC is carrying out real time operations such as monitoring & control of grid parameters, outages, contingency management & disturbance handling in coordination with WRLDC and Intra-state generation companies, transmission licensees, distribution utilities and open access users so as to ensure healthiness of the state grid and ensure economical power to the state of Maharashtra. SLDC is carrying out state energy accounting, transmission loss computation, deviation settlement under intra-state ABT Mechanism (FBSM) 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.

(D) (1) Highlights for the FY 2017-18 are as under:

1. Max State Demand Catered was 22994 MW in the month of April 2017.
2. System Frequency remained in permissible range of 49.90 Hz - 50.05 Hz for 76.14% of time. (Max. frequency noted in May 2017 as 50.33 Hz and Min. Frequency was noted in Sept 2017 as 49.61 Hz, Average frequency was 49.97 Hz)
3. Total 154214.72 MUs energy Demand was catered.

All Figures are operational and based on SCADA data

(D) (2) Major Achievements

1. State energy accounting and UI pool account as per final balancing and settlement Mechanism on 15 Min Time Block basis implemented w.e.f 01st August-2011.
2. System performance report software modified as web-based application & incorporated additional details from April-2016.
3. Critical & long term outages for Mumbai transmission system strengthening work facilitated.
4. Quarterly feedback reports on system performance for planning input to STU.

(D) (3) Generation capacity addition during FY 2017-18 in MW :

Particulars	Unit No.	Addition in MW.	Remarks
State Sector			
MAHAGENCO	NIL		
IPPs			
M/s Shirpur Power Pvt. Ltd., Nardana MIDC.	U#1	150	Sync. on 23.09.2017
Grand Total		150	

Central Sector Units declared COD in FY 2017-18

Unit	Capacity in MW	MSEDCL share in MW	Date of COD
Mouda STPS - II (Unit#2)	660 MW	250.1	COD on 18.09.2017
Solapur STPS (Unit # 1)	660 MW	308.02	COD on 25.09.2017

(D)(4) Short Term Open Access Granted during the FY 2017-18:-

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

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

FY	Firm Power	Day Ahead/Same Day Power	Total No of Applications
2016-17	3152	4837	7989
2017-18	2127	2021	4148

B) Inter State STOA through Power exchange :-

FY	IEX	PXIL	Total No of Applications
2016-17	2194	0	2194
2017-18	168	0	168

C) Energy Transaction through STOA :-

FY	Total Quantum (MUs)
2016-17	18866
2017-18	16495

Average Annual Composite Loss				
Sr. No.	Year	Loss	Wheeling Units In MUs	
			Energy I/P	Energy O/P
1	Annual' 06-07	5.93%	93666	88749
2	Annual' 07-08	4.67%	93557	89189
3	Annual' 08-09	4.88%	95477	90815
4	Annual' 09-10	4.61%	101879	97178
5	Annual' 10-11	4.31%	107810	103163
6	Annual' 11-12	4.25%	117555	112562
7	Annual' 12-13	4.12%	120311	115350
8	Annual' 13-14	4.09%	122291	117289
9	Annual' 14-15	3.89%	135373	130107
10	Annual' 15-16	3.92%	141766	136215
11	Annual' 16-17	3.63%	143829	138613
12	Annual' 17-18	3.30%	150340	145385

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

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

(E) State Transmission Utility

(1) Regulatory and Commercial Activity for the Year 2017-18:

- Suo-motu transmission tariff of Intra State Transmission System for 3rd Control Period FY 2016-17 to FY 2019-20 is determined by the Hon'ble Commission in Case No. 91 of 2016 dated 22/07/2016.
- Petition of Maharashtra State Electricity Transmission Co. Ltd. for Truing-up for FY 2014-15, Provisional Truing-up for FY 2015-16 and Aggregate Revenue Requirement for FY 2016-17 to FY 2019-20, including disallowed capitalisation for FY 2010-11 to FY 2013-14 approved by Hon'ble Commission in Case No. 31 of 2016 dated 07/07/2016.
- Maharashtra State Electricity Transmission Co. Ltd has filed a petition before Hon'ble MERC for Truing-up fo FY 2016-17, Provisional Truing-up for FY 2017-18 and revised estimates of Aggregate Revenue Requirements (ARR) for FY 2018-19 and FY 2019-20 along with impact of Past Period Disallowed Capitalisation for FY 2010-11 to FY 2014-15.(Case No. 168 of 2017)

(E)(2) Open Access & Grid Connectivity related Activities for the year 2017-18:

• **Open Access**

- Long Term Open Access: 3 nos.(455 MW)
- Medium Term Open Access : Nil

• **Grid Connectivity**

- **Independent power project:**
Grid connectivity issued to 01 no. with installed capacity of 1.05 MW
- **Co-generation power project:**
09 nos. of consumer with installed capacity of 175.25 MW are commissioned & grid connectivity issued to 21 nos. of consumer with installed capacity of 409.3 MW.
- **Wind power project:**
Final Grid Connectivity towards synchronization of 01 no. project with installed capacity 50 MW has been issued. The 02 nos. of projects proposals (250MW) having certain progress has been granted Grid Connectivity extension after receipt of recommendation from MEDA under RE policy of the Govt. of Maharashtra.
- **Solar power project:**
Final grid connectivity towards synchronization for 22 nos. of projects with installed capacity 794.5 MW has been issued. Grid connectivity issued to 17 nos. of projects of capacity of 336 MW.
- **Municipal Solid Waste to Energy Power Plant:**
Grid Connectivity issued to 01 no. project with capacity 11.5 MW has been issued.
- **EHV Consumers:**
Final grid connectivity issued to 5 nos. of EHV consumers with power demand of 143 MVA. Grid connectivity issued to 16 nos. of EHV consumers with power demand of 399 MVA.

(E)(3) STU Five year Transmission plan for the period 2017-18 to 2022-23

- STU Five year plan for the F.Y. 2017-18 to 2022-23 has been approved by Board. The technical abstract for the same is a below,

YEAR WISE STATE ABSTRACT FOR NEW SUBSTATIONS								
Sr. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2020-22	2020-23	TOTAL
1	400 KV	3	1	2	1	0	1	8
2	220 KV	8	10	10	4	7	6	45
3	132 KV	5	3	5	10	5	6	34
4	110 KV	0	0	0	0	0	1	1
5	100 KV	0	1	0	0	0	1	2
	Sub Total	16	15	17	15	12	15	90

YEAR WISE STATE ABSTRACT FOR EHV LINES (CKT. KMS)								
Sr. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
1	765 KV	0	0	0	20	0	0	20
2	400 KV	673	375	52	60	75	180	1415
3	220 KV	1063.75	1124.79	1190.5	416	479	504	4778.04
4	132 KV	1305.42	1444.5	1389.5	1332	1318	592	7381.42
5	110 KV	126	124	105	95	32	20	502
6	100KV	2	95.5	9	0	0	50	156.5
	TOTAL	3170.17	3163.79	2746	1923	1904	1346	14252.96

YEAR WISE STATE ABSTRACT TRANSFORMATION CAPACITY ADDITION (MVA)								
Sr. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
1	765 KV	0	0	0	0	0	0	0
2	400 KV	2001	2818	2187	1185	0	1000	9191
4	220 KV	4750	4300	2325	1300	1000	1700	15375
5	132 KV	2050	1280	350	550	400	300	4930
6	110 KV	75	100	0	0	0	50	225
7	100 KV	0	225	200	0	0	50	475
TOTAL		8876	8723	5062	3035	1400	3100	30196
Reactor (MVar)		875	625	25	0	0	0	1650
Capacitor (MVar)		765	1010	865	0	0	0	2490+2 Nos. STATCOM/SVC

(E) (4) Challenges before STU

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

(F) JOINT VENTURES OF MSETCL

(F) (1) MSETCL and JSW : Jaigad Power Transco Limited (JPTL)

JPTL Company is a pioneering example of Public-Private Partnership between Maharashtra State Electricity Transmission Company Limited (MSETCL) and 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 the 1,200 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.

JPTL Company was 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 and maintain transmission system consisting of 400 kV Jaigad - New Koyna and Jaigad - Karad transmission lines for 25 years.

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

This transmission system is presently evacuating power from 1,200 MW Ratnagiri Power Plant as well as transmitting intra-state power between New Koyna and Karad regions.

For the financial year 2017-18, the transmission system availability achieved was 99.63% against the normative availability of 98%.

JPTL Company has complied with all regulatory requirements during the financial year under the transmission license granted by MERC.

JPTL company has filed petition for Truing up of Annual Revenue Requirement for FY 2015-16 and FY 2016-17, Provisional Truing up of FY 2017-18 and revised projection of FY 2018-19 and FY 2019-20. Petition has been admitted by MERC on 1st January, 2018.

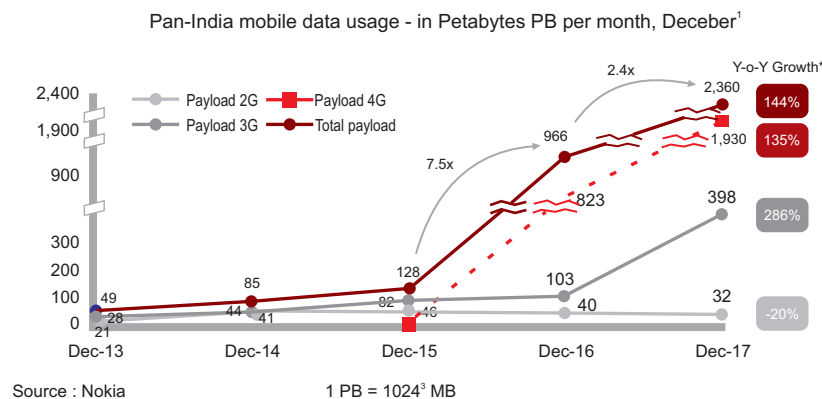
(F) (2) MSETCL and Sterlite Technologies Limited : Maharashtra Transmission Communication Infrastructure Limited (MTCIL)

The Company (MTCIL) is a Joint Venture between Sterlite Technologies Limited (STL) and Maharashtra State Electricity Transmission Company Limited (MSETCL). It was formed to develop 2,801 Kms Optical Passive Ground Wire (OPGW) based Telecom network and monetise subsequently with a provision to add 500 route Kms over MSETCL's Extra High Voltage (EHV) transmission infrastructure in the state of Maharashtra, connecting major cities like Navi Mumbai, Pune, Nasik, Nagpur, Aurangabad, Kolhapur and several other cities, semi-urban and rural areas. The Company had obtained the required Infrastructure Provider-1 (IP-1) registration certificate from Dept. of Telecom, Govt. of India in the month of April, 2014.

During the period under review, the Project for live line installation and commissioning of 48F OPGW is in advanced rollout stage and has achieved OPGW installation of 2,882 Kms. The Company installed 24 nodes of active equipment's for internal utilization of MSETCL. The 20 Mbps link is up from Chandrapur to Kalwa SLDC - 1210 Kms (Chandrapur to Ambazari-230 Km & Ambazari to Kalwa SLDC-980 Kms) for MSETCL internal data transmission. Around 3,700 Fiber KMs (Mumbai to Pune & Mumbai to Nagpur) network has been leased to leading telecom service providers & ISP. The network has been maintained giving 100% uptime in the year. The company has constructed 18 nos' of collocations to provide the space and power for installation of Customer's equipments. All the 18 Collocations are monitored i.e., grid power 440 V AC, battery bank, temperature, security, emergency alarms etc) through Remote Monitoring System (RMS) system, wherein a cloud based Network operation Center (NOC) has been established.

Data growth and fiber requirement :

According to a Nokia MbIT 2018 report, 4G consumption per user reached 11 GB per month in December 2017, of which video content contributed up to 65 per cent of the total mobile data traffic.



While this massive uptake of data has been driven by smartphones, optical fibre networks are crucial for securing India's broadband future. As data consumption keeps growing exponentially and with new technologies such as 5G on the way, wireless platforms will not be enough to meet this increased demand.

Earlier Telecom Operators were focused on provisioning of wireless data while ISPs, MSO and LCOs provided Fiber to the premises services. With the increase data demand and the entry of a Fiber Backhaul focused Telecom Operator, other telcos have increased their fibre deployment plans as well.

MTCIL business Outlook:

The Company in June 2018 completed the critical Karad - Koyna routes overcoming the challenges of forest areas and hilly terrains. With this, MTCIL now has a complete ring network architecture in Maharashtra. The ring network architecture provides the customers with an option of procuring a redundant path which will guarantee almost 100% network availability.

The ring network will thus increase the demand for the MTCIL routes as customers especially the Telecom Operators are looking to further strengthen their optical fiber network. Furtherwith connectivity made available on Mumbai-Pune to Kolhapur and Solapur routes significant demand from ISPs and MSOs is expected.

MTCIL with its superior and reliable network is thus poised to benefit from impending growth in fiber optic networks rollouts.

(G) Human Resource Department

(G) (1) The MSETCL believes in its highly motivated and competent human resource that has been contributing its best to bring the Company to its present height. The Company believes that continuous development of its human resources fosters engagement and drives competitive advantage. In its pursuit of personnel management excellence, the Company has been implementing various initiatives with the primary objective of ensuring supreme performance by providing optimal support for employees. The Company always strives to develop a management culture, trust, transparency and open communication and to establish a strong ethos of work culture, quality consciousness and high performance across the organization.

(G) (2) Working Manpower Strength as on 31st March 2018 is as under :

Pay Group	Working Strength as on 31st March 2018
PG-I	1100
PG-II	2429
PG-III	2819
PG-IV	4130
Total	10174

(G) (3) HRD Initiatives

- Human Resources has aligned with Company's objectives.
- Employees are being trained for implementation of SAP (ERP) with a vision towards paperless governance and leveraging from the system.
- Implementation of Training Policy for employee development.
- Development of Regional Training Centres as a new profit centres.

(G) (4) MSETCL Training & Development

a. MSETCL Training Policy-

MSETCL Belief :

MSETCL believes that Human Resource has pivotal role in growth & development of the company. MSETCL endeavours to build employees' capability through training.

MSETCL Training Policy :

MSETCL has adopted National Training Policy issued by Ministry of Power, Government of India. As per this policy 7 days training is to be provided to each employee annually. Out of 7 days training, 4 days training is based on functional area and 3 days on behavioural area.

Development of RTCs :

MSETCL with an aim to develop its own training infrastructure Regional Training Centres (RTCs) have been strengthened. MSETCL always strive to enhance technical as well as soft skills of the officers.

Innovative Training Practices:

Further, in order to enhance technical knowledge and skills of engineers, institutional tie-ups have formed with Original Equipment Manufacturers (OEMs) and Institutes such as ESCI and NPTI. The tie up is made for behavioural training with TISS (for PG I) and PGCIL (For PG I&II).

b. During the year 2017-18, various training programmes were conducted as under:

- Technical Training at G.E., A.B.B., Siemens, E.S.C.I., N.P.T.I. for 4684 Mandays was provided.
- Behavioural Training at PGCIL, TISS for 2234 Mandays was provided.
- CHR - Technical, Behavioural Training for 7648 Mandays was conducted.
- Technical, Behavioural and Others Training for total 55136 Mandays was conducted at RTCs in the year 2017-18.

c. Development of RTCs as new Profit Centers:

- Specialized training infrastructure has been set-up through development of seven RTCs at each zones. These RTC's are CEA recognized. The inspections for RTC reorganization as training centre were conducted by CEA authorities.
- The facilities at RTCs are being developed. The training programmes for the Pay Group III and IV are structured and imparted through in-house faculties.

d. Other Value Additions:

- Project Engineers Summit
- SCADA/SAS workshop
- 12 week training to unemployed educated youth
- Implementation of training policy

e. Training imparted and expenditure incurred during the year 2017-18 is as under:

(Rs. In Lakhs)

Total Mandays covered	Expenditure Incurred	
	Training	Capex
69702	1181.47	61.2

f. Future Plans:

- Trans O & M Engineer Summit.
- Succession Planning - Development of future leaders.
- Quality Management Systems - Developing certified inspection engineers.
- Asset Management Systems - Need based training for automation.
- Corporate Training Center at Lonawala - MSETCLs own training center mainly for behavioural studies for PG -I/II.
- Training Management Information System (TMIS) - Training database provided in ERP system of MSETCL

(G) (5) Achievements

- In order to incorporate changes considering the future developments in the energy sector and creating dynamic workforce the Review of Staffing Norms in respect of Transmission cadre was done.
- On behalf of the Energy Department, the MSETCL showcased tableaux on “Solar Energy” with caption “Solar Energy, Green Energy” on the occasion of 67th Republic Day at Shivaji Park, Dadar, Mumbai, which bagged third prize.

(G) (6) Employee Welfare

· MSETCL undertakes various employee welfare policies time to time. Under the MSEB HCL Group Mediclaim Insurance Policy it has provided Mediclaim Insurance for the employees and his 05 dependents.

· Company conducts Sports tournaments at Division, Circle, Zone & State level. In the year 2017-18, the Inter-Zonal Sports Competition was organized at JNPT Sports Ground, Uran by Vashi Zone in the month of January 2018.

· The Company also participates in tournaments organized by All India Electricity Sports Control Board (AIESCB). The employees secured Gold/ Silver/ Bronze medal in National/ International, AIESCB Sports tournaments is felicitated with cash prizes.

· The Company encourages employees to participate in Drama Competition. It conducts Drama Competition at Circle, Zone & Inter-Company level. Some of the winner Drama teams also secured prestigious awards in Drama Competition conducted by Maharashtra State Govt.

MSETCL also provides various cash prizes to the wards of the employees for various selection for qualifications viz. M.B.B.S., Scientific Research, selected in UPSC/ MPSC for Class-I post. National Saving Certificate of Rs. 5000/- to the employees who have given birth to female child is provided.

Scholarship to the wards of the employees who stands in merit in the 10th Standard upto graduation level is provided through MSEB Staff Welfare Fund Committee.

School bus facility is provided at remote sub-stations such as Padgha.

The wards of employees having minimum 40% disability / deaf & dumb as certified by the District Civil Surgeon will be given financial aid of Rs. 5,000/- to purchase tricycle/ hearing aids through MSEB Employees Staff Welfare Fund Committee.

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

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

(G) (8) Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

Company already has mechanism for prevention of Sexual Harassment of Women at workplace. The existing Committee registers the complaints related to sexual harassment.

II. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Directors

During the financial year 2017-18, the following changes in the composition of the Board of Directors of the Company have taken place as per the directions of the Energy Department, Government of Maharashtra and the holding Company, MSEB Holding Co. Ltd.

Sr. No.	Name of the Director	Date of Appointment	Date of Cessation
1	Shri Rajeev Kumar Mital, IAS-CMD	06.01.2015	-
2	Shri Arvind Singh, IAS	30.03.2017	
3	Shri O.K. Yempal	06.07.2011	25.05.2017
4	Smt. Pushpa Chavan	26.06.2014	-
5.	Shri R.D. Chavan	05.05.2015	-
6.	Shri Vishwas Pat hak	24.08.2015	-
7.	Shri G.T. Munde	20.07.2017	-

Directors on the date of report are as follows:

Sr. No.	Name of the Director	Designation	Date of Appointment
1.	Shri. Parrag Jaiin Nainutia, IAS	Chairman & Managing Director	02-05-2018
2.	Shri. Arvind Singh, IAS	Nominee Director	30.03.2017
3.	Shri. G.T. Munde	Director (Operations)	20.07.2017
4.	Shri. R.D. Chavan	Director (Projects)	05.05.2015 18.05.2018*
5.	Smt. Pushpa Chavan	Independent Director	26.06.2014
6.	Shri. Vishwas Pathak	Independent Director	24.08.2015
7.	Shri. Vinayak Sathe	Director (Finance)	02.04.2016

**Shri Chavan completed his tenure of three years on 04.05.2018 and thereafter was reappointed on 18.05.2018*

(B) Declaration on Independent Directors

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

- (a) in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
- (b) (i) who were or were not a promoter of the company or its holding, subsidiary or associate company
(ii) who are not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- (c) Who have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- (d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company or their promoters, or directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) Who, neither himself nor any of his relatives -
(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed;
(ii) is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
- (A) a firm of auditors/company secretaries in practice or cost auditors or the company or its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
(iii) holds together with his relative two per cent, or more of the total voting power of the company; or
(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- (f) who possesses such other qualification as may be prescribed.

(C) Performance Evaluation Of Directors

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

Further, the appointment, tenure and remuneration of CMD is decided by Government of Maharashtra. For other Whole Time Directors the appointment and tenure is fixed by MSEBHCL and the remuneration of Whole Time Directors as per terms and conditions of their appointment. Independent Directors are paid only sitting fee per Board / Committee meeting attended {rate fixed by the Board within the ceiling fixed for payment of sitting fee without Government approval under the Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Section 197 of the Companies Act, 2013} and in accordance with the Government Guidelines for attending the Board Meeting as well as Committee Meetings.

The Government Nominees Directors on the Board do not draw any remuneration/sitting fee for attending Board/ Committee meetings from the Company. The Independent Directors were paid sitting fee of Rs. 5,000/- per meeting for attending Board/Committee Meetings/General Meetings.

(D) Key Managerial Personnel

During the financial year 2017-18, the following are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

Sr. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment	Date of Cessation
1.	Shri. Rajeev K. Mital, IAS	Chairman & Managing Director	06.01.2015	-
2.	Shri. Vinayak Sathe	Chief Financial Officer	02.04.2016	-
3.	Ms. Vineeta Shriwani	Company Secretary	22.06.2015	-

(E) Meetings

(i) Board Meetings

During the financial year under review, 13 Board Meetings were held on the following dates:

S.No.	Number of Board Meeting	Date of Board Meeting
1.	115 th Board Meeting	20.04.2017
2.	116 th Board Meeting	18.05.2017
3.	117 th Board Meeting	19.06.2017
4.	118 th Board Meeting	15.07.2017
5.	119 th Board Meeting	05.08.2017
6.	120 th Board Meeting	14.09.2017
7.	121 th Board Meeting	27.09.2017
8.	122 th Board Meeting	30.10.2017
9.	123 th Board Meeting	23.11.2017
10.	124 th Board Meeting	26.12.2017
11.	125 th Board Meeting	25.01.2018
12.	126 th Board Meeting	23.02.2018
13.	127 th Board Meeting	23.03.2018

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

Board Meeting attendance of directors during financial year 2017-18

Name of the Director	No. of Board Meetings held	
	Held	Attended
Shri. Rajeev Kumar Mital, IAS-CMD	13	13
Shri. O. K. Yempal ⁽¹⁾	13	1
Smt. Pushpa Chavan	13	13
Shri. R. D. Chavan	13	1
Shri. Vishwas Pathak	13	11
Shri. Vinayak Sathe	13	12
Shri. Arvind Singh, IAS	13	13
Shri. G.T. Munde ⁽²⁾	13	09

1. Shri Yempal ceased to be Director with effect from 25.05.2017

2. Shri Munde was appointed as a Director with effect from 20.07.2017

(ii) COMMITTEE OF THE BOARD OF DIRECTORS

The Company has the following Committees of the Board:

● Audit Committee (AC)

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

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

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

Sr. No.	Number of Audit Committee Meeting	Date of Meeting
1.	14 th Audit Committee Meeting	18.04.2017
2.	15 th Audit Committee Meeting	24.05.2017
3.	16 th Audit Committee Meeting	11.07.2017
4.	17 th Audit Committee Meeting	26.09.2017
5.	18 th Audit Committee Meeting	23.02.2018
6.	19 th Audit Committee Meeting	08.03.2018

AC Meeting attendance of directors during financial year 2017-18

Sr. No.	Name of the Director	No. of Meetings held	
		Held	Attended
1.	Shri. Vishwas Pathak	6	6
2.	Smt. Pushpa Chavan	6	6
3.	Shri. R. D. Chavan	6	6

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

● Nomination and Remuneration Committee (NRC)

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

Sr. No.	Name of Committee Members	Designation	In the ex-officio capacity of
1.	Shri. Vishwas Pathak	Chairman	Independent Non-executive Director
2.	Smt. Pushpa Chavan	Member	Independent Non-executive Director
3.	Shri. Parrag Jaiin Nainutia, IAS	Member	Chairman & Managing Director

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

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

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

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

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

Sr. No.	Number of CSRC Meeting	Date of Meeting
1.	7 th Corporate Social Responsibility Committee Meeting	06.07.2017
2.	8 th Corporate Social Responsibility Committee Meeting	07.11.2017
3.	9 th Corporate Social Responsibility Committee Meeting	25.01.2018
4.	10 th Corporate Social Responsibility Committee Meeting	23.03.2018

CSRC Meeting attendance of directors during financial year 2017-18

Sr. No.	Name of the Director	No. of Meetings held	
		Held	Attended
1.	Shri. Rajeev K. Mital, IAS	4	4
2.	Shri. R. D. Chavan	4	3
3.	Shri. Vinayak Sathe	4	4
4	Shri. Vishwas Pathak	4	4

III. FINANCIAL HIGHLIGHTS

(A) Performance of the Company

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

(Rs. In Crs.)

Particulars	2017-18	2016-17
Total Income	3968.35	3195.36
Total Expenditure	3153.84	3107.01
Profit before tax and Prior Period Adjustment	814.51	88.35
Less: Net Prior Period Expenses / (Income)	0	0
Profit Before Extraordinary Items and Tax	814.51	88.35
Extraordinary Items :	0	0
Profit Before Tax	814.51	88.35
Provision for Tax	301.94	93.42
Net Profit / (Loss) after Tax available for Appropriation	512.57	(5.07)
Other Comprehensive Income	1.68	(20.36)
Total Comprehensive Income	514.25	(25.43)

Profit before Tax for the year 2017-18 is at Rs. 814.51 crore as against Rs. 88.35 crore during the previous FY 2016-17. Profit after Tax for FY 2017-18 is at Rs. 512.57 crore as against Rs. (5.07) crore during the previous FY 2016-17. The major element of Revenue for the Company is Transmission Charges which is collected from State Transmission Utility (STU).

(B) Reserves

The Company has transferred Rs. 58.81 crores to Contingency Reserve Fund and Rs Nil to Special Reserve Fund.

(C) Change in Share Capital

The Capital Structure of the Company is as under:

(Amt. in Rs.)

Particulars	Amount
Authorized Share Capital	15,000,00,00,000
Issued, Subscribed and Paid up Share Capital	89,84,97,47,330

In F.Y. 2017-18 there was no change in the Share Capital of the Company.

(D) Dividend

Considering the requirement of funds for system improvement and various infrastructural projects, Directors did not recommend any dividend for the financial year ended 31st March 2018.

(E) Internal Controls

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.

(F) Subsidiary and Associates 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.

MSETCL has two Associate Company's namely

- i) Jaigad Power Transco Limited
- ii) Maharashtra Transmission Communication Infrastructure Limited

G) Cost Auditors

The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, in exercise of powers conferred u/s 148 of the Companies Act, 2013 issued Companies (Cost Records and Audit) Amendment Rules, 2014 to audit Cost Accounting Records and Books of Accounts maintained by the company in respect of Electricity Industry. M/s B J D Nanabhoy & Co., Cost Accountants were the cost auditor for the F.Y. 2017-18.

The Board of Directors appointed M/s B J D Nanabhoy & Co., Cost Accountants, as the cost auditor for the F.Y. 2018-19 and their appointment has been taken on record by MCA.

(H) Statutory Auditors

As the Company is a Government Company under section 2(45) of the Companies Act, 2013, the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 appoints the statutory auditors to audit the annual accounts. The C&AGI, New Delhi vide letter No. CA.V/COY/MAHARASHTRA, MSETCL(1)/29 Dated 12/07/2017 has appointed M/s Khimji Kunverji & Co., Chartered Accountant as Statutory Auditors for F.Y. 2017-18.

The C&AGI, New Delhi vide letter No. CA.V/COY/MAHARASHTRA, MSETCL (1)/773 dated 21.08.2018 has appointed 'M/s Khimji Kunverji & Co.' Chartered Accountant Firms as the statutory auditors for the financial year 2018-19. The statutory auditors appointed by C&AGI will hold office until the conclusion of next Annual General Meeting.

(I) Explanation to the remarks of Statutory Auditors' Report

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

In terms of Section 143 (6) of the Companies Act, 2013 the comments of the Comptroller and Auditor General of India on the accounts of the Company for the year ended March 31, 2018 are annexed to the report as Annexure IV.

(J) Deposits

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

(K) Particulars of Loans, guarantees or investments

Your company has not directly or indirectly

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

(L) Related Party Transactions

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

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

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

(N) Funding arrangement/Institutional Borrowing

MSETCL has submitted its Capital Expenditure Plan for FY 2015-16 to 2019-20 of around Rs.5662 crores to MERC In the Financial Year 2017-18, MSETCL has raised Rs.736/- crores through Debt (including JICA exchange variation). For debt component, MSETCL has tied up with Power Finance Corporation (PFC), Rural Electrification Corporation (REC) and Nationalized Banks. MSETCL has earlier raised loans from International Agencies like the International Monetary Fund and the Japanese Bank of International Co-operation (JBIC).

IV. OTHER COMPLIANCES

(A) Secretarial Audit Report

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

(B) Risk Management Policy

The Board of Directors have approved Risk Management Policy 02.06.2016 and implemented it w.e.f. 02.06.2016. The Board has adopted Policy to proactively manage uncertainties and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. The Board has ensured sustainable business growth, stability by promoting a pro-active approach in reporting, evaluating and resolving risks associated with the business. The Policy is available on company's website at https://mahatransco.in/information/details/risk_management_policy

(C) Extract of Annual Return

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

D) Material Changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report

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

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

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

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

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

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

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

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

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

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

Technology Absorption

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

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

Foreign exchange earnings and Outgo

There has been no Foreign Exchange earnings and outgo during the year 2017-18.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Company believes in Corporate Social Responsibility (CSR) as a commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include persons directly impacted by the activities of the Company, local communities, environment and society at large. It primarily focuses on inclusive socio-economic growth for development of marginalized and under-privileged sections of the society residing around its areas of operation. With this approach, your Company carries out various CSR activities with thrust on Rural Development/Infrastructural Development, Skill Development, Health, Education, Environment, etc.

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

VII. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2018 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts for the financial year ended March 31, 2018, on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIII. ACKNOWLEDGEMENTS

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

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

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

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

For and on behalf of the Board of Directors

Sd/-
Parrag Jain Nainutia
Chairman & Managing Director

Place : Mumbai
Date : 28.12.2018

Annexure Index

Annexure	Content
I	List of EHV substation commissioned during the F.Y. 2017-2018
II	List of EHV transmission lines commissioned during the F.Y.2017-2018
III	Comments of Statutory Auditors and Management's Response thereupon
IV	Comments of Comptroller and Auditor General and Management's Response thereupon
V	MR-3 Secretarial Audit Report
VI	Annual Return Extracts in MGT 9
VII	Annual Report on Corporate Social Responsibility

EHV Substations commissioned during the F.Y. 2017-18

Annexure-I

Sr. No.	SS Name	MBR	Districts	Circle	Zone	MVA	COD
400 kV							
1	400kV Kudus S/S 400/220kV, 500MVA ICT-1	Board, 85/19, dtd. 10-10-2013	Thane	Kalwa	Washi	500	28-Dec-17
2	400kV Kudus 1 x 500MVA, 400/220KV ICT-II	112/25, dtd. 17-11-2016	Thane	Kalwa	Washi	500	15-Mar-18
220kV							
3	220KV Malegaon SS 220/132kV, 2 x 100MVA ICTs	34/04, dtd. 04-10-2008	Washim	Amravati	Amravati	200	10-Aug-17
4	220/132/33 kV Jalna- MIDC(Nagewadi) S/S 100MVA, 220/132 kV ICT-I 50 MVA, 220/33 kV T/F-II	110/11, dtd. 28-07-2016	Jalna	Aurangabad	Aurangabad	150	09-Feb-18
5	220kV Krishnoor SS 1 x 25MVA, 220/33kV T/F	Board, 34/04, dtd. 04-10-2008	Nanded	Aurangabad	Aurangabad	25	25-Mar-18
132kV							
6	132KV Chimangaon Gota S/S 132/33kV, 25 MVA T/F-I	84/19, dtd. 05-09-2013	Satara	Kolhapur	Karad	25	02-Apr-17
7	132kV Erandol SS 132/33kV, 2 x 25 MVA TFs	Board, 72/16, dtd. 05-12-2012	Jalgaon	Nashik	Nashik	50	04-Sep-17
8	132kV Sengaon S/s 132/33kV , 25MVA T/F-I	Board, 34/04, dtd. 04-10-2008	Hingoli	Aurangabad	Aurangabad	25	22-Nov-17
9	132kV Nimboni S/s 132/33kV , 25MVA T/F-I	88/17, dtd. 13-01-2014	Solapur	Pune	Pune	25	18-Nov-17
10	132kV Sengaon SS 132/33kV, 25 MVA TF-II	34/04, dtd. 04-10-2008	Hingoli	Aurangabad	Aurangabad	25	18-Jan-18
11	132/33kV Kavathe - Yamai S/s 2X 25MVA , 132/33kV T/Fs	85/26, dtd. 10-10-2013	Pune	Pune	Pune	50	19-Feb-18
12	132kV Chimangaon Gota SS 1 x 25 MVA, 132/33kV T/F-2	84/19, dtd. 05-09-2013	Satara	Kolhapur	Karad	25	30-Mar-18
					TOTAL MVA	1600	

Annexure-II

EHV Transmission lines commissioned during the F.Y. 2017-18

Sr. No.	Line Name	MBR	Type of circuit	Circle	Zone	Ckm	COD
			220 kV				
1	220kV Boisar Borivali Ckt-I	89/14 dtd 06/03/2014	D/C M/C	Kalwa	Washi	82.614	29-Apr-17
2	2nd ckt of LILO on 220 KV Bhigwan - Walchandnagar at 220 KV Loni Deokar s/s.	Board, 69/15, dtd. 31-12-2011	S/C D/C	Pune	Pune	18.8	25-May-17
3	220kV DC Warora-Wardha II (Bhugaon)	Board, 34/04, dtd. 04-10-2008	D/C	Nagpur	Nagpur	165	16-May-17
4	LILO on both ckts of existing 220kV Waluj-Jalna D/C line at 400kV Aurangabad-II (Thaptitanda) s/s.	Board, 92/26, dtd. 19-08-2014	LILO	Aurangabad	Aurangabad	31.86	11-May-17
5	220 KV Akola - Anjangaon DCDC line	Board, 34/04, dtd. 04-10-2008	D/C D/C	Amravati	Amravati	106	18-Dec-17
6	220 kV Phaltan - Walchandnagar M/C line from Loc.No.1 to 7	CMD, 559, dtd. 07-05-2015	D/C M/C	Pune	Pune	4.222	28-Dec-17
7	LILO on 220kV Babhaleshwar-Alephata ckt-2 to U Tech Sugar Ltd C-Gen Plant.	ORC	LILO	Nashik	Nashik	9.8	16-Dec-17
8	LILO on existing 220kV Phaltan-Walchandnagar line for evacuation of Power from Co-Gen project set up by M/s Chhatrapati SSK, Bhavaninagar, Tal Indapur, Pune	ORC	S/C	Pune	Pune	2.075	06-Dec-17
9	220kV Balapur- Malegaon D/C Line Ckt-I	Board, 34/04, dtd. 04-10-2008	D/C	Amravati	Amravati	71	10-Aug-17
10	220kV D/C line from 220kV Phaltan s/s to 220kV Walchandnagar s/s	Board, 89/16, dtd. 06-03-2014	D/C	Pune	Pune	114.2	12-Aug-17
11	220kV Balapur- Malegaon line ckt-II (loc 1 to 112).	Board, 34/04, dtd. 04-10-2008	D/C	Amravati	Amravati	35	31-Aug-17
12	220kV DC Malegaon Kalwan line	CMD, 995, dtd. 09-04-2010	D/C	Nashik	Nashik	97.84	14-Nov-17
13	220 KV DC line from 400 kV Aurangabad-II S/S to 220 kV Jalna MIDC (Nagewadi) S/S	110/11, dtd. 28-07-2016	D/C	Aurangabad	Aurangabad	77.09	09-Feb-18
14	220kV Kumbhargaoon-Krishnoor line ckt-II	34/04, dtd. 04-10-2008	D/C	Aurangabad	Aurangabad	16.211	25-Mar-18
15	220 KV DC line from Nagewadi SS to 220 KV Partur SS	Board, 98/10, dtd. 16-03-2015		Aurangabad	Aurangabad	126.2	30-Mar-18

16	LILO on 220 kV Vita - Pandharpur line for 220 kV Varkule - Malwadi Solar S/S (M/s. Giriraj Solar)	ORC	LILO	Kolhapur	Karad	19.1	31-Mar-18
17	220 kV Chandrapur -II - Chandrapur MIDC (Tadali)	40/09, dtd. 26-05-2009		Nagpur	Nagpur	81.02	31-Mar-18
18	Shifting of 220 kV Parvati - Chinchwad & 220 kV Flagship - Naned city D/C lines from premises of M/s. Mihir Enterprises Bavdhan	ORC	D/C	Pune	Pune	0.941	23-Jan-18
132 kV							
19	LILO line on 132 KV Satara Road - Ambheri line for 132 KV Chimangaon Gota S/s.	84/19, dtd. 05-09-2013	LILO	Kolhapur	Karad	17.078	02-Apr-17
20	132kV Kathapur - Pimpalgaon ckt-I	60/12, dtd. 07-02-2011	D/C	Pune	Pune	17.7	29-Apr-17
21	132kV DCDC line from 220kV Shivajinagar S/S to Mhasale Solar project S/s	CMD 1482 dtd 26/12/2016 (ORC)	D/C D/C	Nashik	Nashik	18.86	09-May-17
22	132kV SCDC Bramhapuri-Nagbhid Railway TSS line	CMD 903 dtd 20-07-15.	S/C D/C	Nagpur	Nagpur	19.91	05-Dec-17
23	132 DC Hingoli - Sengaon ckt I & II	34/04, dtd. 04-10-2008	D/C	Aurangabad	Aurangabad	64.76	18-Jan-18
24	132kV DC Bhokardhan-Sillod	24/14, dtd. 13-02-2008	D/C	Aurangabad	Aurangabad	43.032	27-Jun-17
25	132KV LILO on Beed Raimoha line for 220 KV Beed S/s	889 dtd 15-11-1997	LILO	Aurangabad	Aurangabad	8.83	27-Jun-17
26	132 KV DC Line from 132 KV Daund SS to Proposed 132 KV Daund TSS (Balance M/C portion from loc 25-33)	CMD, 418, dtd. 30-05-2013	D/C	Pune	Pune	4	20-Jul-17
27	132kV Kathapur - Pimpalgaon ckt-II	60/12, dtd. 07-02-2011	D/C	Pune	Pune	17.928	20-Jul-17
28	132 KV reorientation of 132 kV Malegaon - Mangurphir line at 220 KV Malegaon SS	Board, 34/04, dtd. 04-10-2008	LILO	Amravati	Amravati	7.6	10-Aug-17
29	132 KV reorientation of 132 kV Malegaon - Washim line at 220 KV Malegaon SS	Board, 34/04, dtd. 04-10-2008	LILO	Amravati	Amravati	7.41	24-Aug-17
30	132kV Muktainagar-Manpur line for Lift Irrigation Varangaon-Talvel scheme TIDC	ORC	S/C D/C	Nashik	Nashik	9.131	08-Aug-17
31	132kV SCDC Shirpur-Dondaicha (from loc 4 to 170)	Board, 34/04, dtd. 04-10-2008	S/C D/C	Nashik	Nashik	48.8	04-Sep-17

32	132 KV SCDC line from 220KV Bambhori substation to 132 KV Erandol S/S	Board, 72/16, dtd. 05-12-2012	S/C D/C	Nashik	Nashik	26.77	04-Sep-17
33	132 kV SCDC line from 132kV Telgaon S/S to Solar Power projects at Chatgaon (Kothimbirwadi) Tq Dharur, Dist Beed.	ORC	S/C D/C	Aurangabad	Aurangabad	4.52	07-Aug-17
34	132kV SCDC line from Nimboni SS to Co-Gen Plant of M/s Bhairavnath Sugar works Ltd	ORC	S/C D/C	Pune	Pune	19.345	18-Nov-17
35	132Kv SCDC line from Karmala SS to Co-Gen plant of M/s Vitthal Refined Sugar Ltd.	ORC	S/C D/C	Pune	Pune	7.528	30-Nov-17
36	132kV SCDC Oglewadi-Mayani (From Loc. No. 25 to 124)	Board, 34/04, dtd. 04-10-2008	S/C D/C	Kolhapur	Karad	31.73	16-Jan-18
37	132kV SCDC line from M/s Sukhbir Agro Energy Ltd at Gogaon, akkalkot to 132kV Waghdari S/S.	ORC	S/C D/C	Pune	Pune	0.92	17-Jan-18
38	132kV LILO on 132kV Kathapur - Pimpalgaon Line for proposed 132kV Kavathe-Yamai S/S ckt-II	85/26, dtd. 10-10-2013	LILO	Pune	Pune	12.991	19-Feb-18
39	132kV SCDC line from 132kV Karajgi SS to 132kV Gokul mauli Co-Gen Plant at tadwal, Akkalkot, Dist Solapur.	ORC	S/C D/C	Pune	Pune	8.185	23-Feb-18
40	132kV SCDC line from 132kV Pangari S/S to 132kV Solar Park project set up by M/s Solar Edge Power & Energy Pvt. Ltd at Mhatargaon, tal Parli, dist Beed.	ORC	S/C D/C	Aurangabad	Aurangabad	10.17	01-Mar-18
41	2nd Ckt stringing from Loc. No. 80 of 132 KV Peth-Shirala line to 132 KV Bambawade S/S.	1549 dtd 19-10-2015	S/C	Kolhapur	Karad	9.54	24-Mar-18
42	132kV Daund -Shrigonda line from loc 33 to 89	Board, 84/16, dtd. 05-09-2013	D/C	Pune	Pune	31.62	26-Mar-18
43	132KV Warud to Bharsingi SCDC line	Board, 34/04, dtd. 04-10-2008	S/C D/C	Nagpur	Nagpur	32.07	29-Mar-18
44	132kV Bhugaon-Deoli ckt-II	1564 dt.26.10.15	D/C	Nagpur	Nagpur	19.866	28-Mar-18

45	132kV SCDC line from 132kV Muktainagar SS to 132kV Solar Park by M/s Solar Edge Power & Energy Pvt Ltd at Wadhawe, Tal Muktainagar, Dist Jalgaon.	ORC	S/C D/C	Nashik	Nashik	7	24-Mar-18
46	132 kV LILO line on 132 kV Chalisgaon - Kannad line at 132 kV Solar PV Power Project S/S of M/s. JBM Solar Energy maharashtra Pvt. Ltd at Chalisgaon.	ORC	LILO	Nashik	Nashik	6	16-Mar-18
47	132 kV SCDC line from 220 kV Chalisgaon Substation to 132 kV Solar Park for evacuation of power from 100 MW Solar PV Power project by M/s. Fermi Solar Farms at Bodare,-Shivpur, Tal. Chalisgaon	ORC	S/C D/C	Nashik	Nashik	11	25-Mar-18
48	Reorientation: LILO ON 132 kV AKOT- 132 kV ANJANGAON S/S FOR 220 kV ANJANGAON S/S	105, dtd. 27-01-2016	LILO	Amravati	Amravati	16	31-Mar-18
49	132 kV Puluj - Bhima SSK Cogen SCDC line.	ORC	S/C D/C	Pune	Pune	0.84	28-Feb-18
100 kV							
50	LILO on 100kV Chinchwad-Talegaon S/C line for M/s Padumjee paper Products Ltd at Thergaon.	ORC	LILO	Pune	Pune	0.047	08-Jun-17
Total CKM						1600.154	

Annexure-III

**Reply to the Statutory Auditors qualification on the Audit Report for the financial year 2017-18
(Ref. Basis for qualified opinion on Audit Report page no.2)**

REPLIES TO THE STATUTORY AUDITOR REPORT FOR THE STANDALONE FINANCIALS YEAR 2017-18		
Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
1.	<p>We have audited the accompanying Standalone Ind AS Financial Statements of Maharashtra State Electricity Transmission Company Limited ('the Company'), which comprise of Balance Sheet as at March 31, 2018, Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash flow Statement for year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").</p>	Factual
2.	<p><u>Management's Responsibility for the Standalone Ind AS Financial Statements</u></p> <p>The Company's Board of Directors is responsible for the preparation and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards as specified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of Companies (Indian Accounting Standards Rules), 2015.</p> <p>This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Standalone Ind AS Financial Statements, management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p>	Factual
3.	<p><u>Auditor's Responsibility</u></p> <p>Our responsibility is to express opinion on these standalone Ind AS Financial Statements based on our audit.</p> <p>We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</p>	Factual

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
4.	<p>An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and Board of Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.</p> <p>We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report.</p>	Factual
5.	We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion on the Standalone Ind AS Financial Statements.	Factual
6.	<p><u>Basis of Modified opinion</u> The following items form the basis for our modified opinion:</p>	
6.1	<p>Attention is invited to Note no. 43 of Standalone Financial Statement giving details about Accumulated Delayed Payment Charges ('DPC') as at March 31, 2018 and recognition of income therefrom of Rs. 85,499 Lakhs (with reference to 3 distribution licensees) in the Previous Year under the head 'Other Income'. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC had reduced the ARR of the Company for F.Y. 2015-16 by the said amount of DPC Rs. 85,499 Lakhs, classifying it as 'Non-Tariff Income'. Data/ details pertaining to the certainty over the realisability of such income are not available with the Company. The accounting of such DPC as 'Other Income' is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in Note No. 2.12 states that "<i>Other Income is recognized on accrual basis except when ultimate realisation of such income is uncertain</i>". Had the Company not recognized such income of Rs. 85,499 Lakhs in the earlier year, its balance of the retained earnings in the Profit & Loss Account and balance of Trade Receivable Account would have been lesser by the said amount.</p>	The fact has been disclosed in the Financial Statements. STU raises the Monthly Tarrif Charges Bill to Distribution Licencees including the amount of DPC.
6.2	Attention is invited to Note no. 46 of Standalone Financial Statement pertaining to shortfall of investing in the securities stated under section 20 of Indian Trusts Act, 1882 as per the MERC Regulation to cover Forex losses in the foreign exchange transactions.	MSETCL could not make the necessary investment to cover forex loss as per Regulation due to scarcity of Funds during FY 2017-18. However, the necessary investment has been made in FY 2018-19.

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
6.3	According to the MERC Regulations, Contingency Reserve Fund ('CRF') and Special Reserve Fund ('SRF') are to be created and held by the Company supported by equivalent investments in the securities stated under section 20 of Indian Trusts Act, 1882. As at March 31, 2017 against the total of CRF and SRF of Rs. 42,375.00 Lakhs, the earmarked investments are observed to be short by Rs.15,207 Lakhs.	MSETCL could not make the necessary investment in CRF and SRF as per Regulation due to scarcity of Funds during FY 2017-18. However, the necessary investment has been made in FY 2018-19.
6.4	In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipments ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC Regulations. As a result, several instances of excess charging of depreciation on assets was observed. Further, in several instances, deprecation is manually worked out and provided at the Head office for assets located in Zone or Region for the reason of mis-matches in dates of capitalization, critical spare items capitalization etc. In absence of complete data/ details of such instances out of numerous line items of PPE, the combined impact of such erroneous depreciation has not been ascertained.	The Company has appropriately done adjustment of deemed cost for PPE as on 01.04.2015. The consideration of net block as deemed cost is done as per guidance note on Ind AS Sch II by ICAI read with Ind AS 101 and appropriate disclosures have been made in the financial statements. The calculation of depreciation as per net block or as per present practice is done. Depreciation amount as per both the methods comes to the same figure. It is only for disclosure purpose in the financial statements. Company cannot change its present fixed assets register and fixed assets schedule in the system. In respect to depreciation for assets whose date of commissioning is prior to April 2017, the same needs to be manually calculated and entered in SAP/ERP System. This is due to late receipt of Work Completion Report (WCR). However, procedures are being devised for the generation of WCR through SAP/ERP itself, which would eliminate the manual depreciation entry in future.
6.5	Based on the scrutiny of available details of free hold land, it was noticed that in past several items of leased land have been clubbed under this head; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/ details of such instances, the impact thereof on Standalone Ind AS Financial Statements has not been ascertained	The number of agreements to be reviewed are numerous. Also, amount paid for lease deed are from MSEB period. Hence, it is not material. The objective of Ind AS 101 read with framework for Ind AS specifies that cost of obtaining information should not exceed the benefits.

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
		The amount of leasehold land classified as freehold land is not expected to be material and significant may not come on statement of profit and loss of the company and also considering cost benefit analysis.
6.6	The policy about inventory valuation of the Company (Note No 2.11) states that inventories are valued at lower of cost or net realizable value ('NRV'). However, as observed in the course of audit, the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Standalone Ind AS Financial Statements has not been ascertained.	The Core business of MSETCL is construction and maintenance of substation and lines. The inventory procured is of specific nature and is not for sale in the market. Moreover, the uniqueness of the business process of MSETCL makes the derival of NRV difficult. However, MSETCL would initiate a drive to capture data which would help to derive the NRV during the valuation process.
6.7	In course of inquiries made in terms of provisions of Section 143(1)(b) of the Act, the transactions totaling to Rs. 853.74 lakhs pertaining to obtaining of security deposits from the vendor/ contractors in the form of fixed deposits with Banks in the joint name of concerned vendor/ contractors and the Company were noticed to be represented by mere book entries; prima facie, such transactions of recording the receipt of deposits as liabilities and fixed deposits with banks as assets did not appear to be prejudicial to the interest of the Company except for inaccurate recording of interest on such Bank fixed deposits and tax deducted by banks thereon.	MSETCL has putup a Circular wherein the policy of acquiring security deposit from Vendors in the form of Fixed Deposit Receipt (FDR) would be revised. MSETCL has decided to change its contract terms and conditions wherein the FDR would be taken in the name of the Vendor & pledged in the name of MSETCL. This would remove the issue of TDS on the interest component of FDR.
6.8	No inventory or data/ details/ description/ageing could be furnished for verification for the "Assets not in use - held for sale" amounting to Rs. 3,503.25 Lakhs; moreover, such assets are held at their carrying value instead of at lower of carrying value or net realizable value. The impact, if any, thereof on Standalone Ind AS Financial Statements has not been ascertained.	MSETCL has decided to take a drive wherein the physical verification of assets is to be carried out to update the Fixed Asset Register. This activity would also cover the verification/reconciliation of Asset Not in use component. Necessary accounting entry would be passed after completion of the assignment.

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
6.9	<p>The deposits from Vendors/ contractors/ customers held by the Company as on March 31, 2018 amounted to Rs.22,412 Lakhs are not amortized as required under the mandatory provisions of Ind AS 109 "Financial Instruments". The impact, if any, thereof on Standalone Ind AS Financial Statements has not been ascertained.</p>	<p>As per the general terms of business, the company collects deposits money from the vendor as security deposit and returns the same only after a certain period of time. The same is retained to ensure performance of the work done under turnkey project, etc. The option is given to the contractor to either deposit money or provide bank guarantee. On the basis of guidance in Ind AS 115, the deposits is obtained to ensure performance of obligations and not financing, hence no discounting considered. In case of security deposits where the option of the Bank guarantee is presented with the vendor, the fair valuation of security deposits may not be required as there is no financing component involved in the transaction. In case of deposits received which are repayable on demand, no fair valuation is required since there is no time factor which can be considered in arriving the fair value and hence transaction value represent the fair value. You may refer age analysis of deposits which are outstanding since long period of time and are repayable on demand. Since the deposits money is taken only to ensure performance of the work done by the contractor. It cannot be considered as deferred payment and corresponding fair valuation of the deposits may not be required. The same is discussed in joint management meeting for Ind AS implementation and all group companies have done similar treatment.</p>

Sr. No.	STATUTORY AUDITORS' REPORT			MSETCL's Reply
6.10	The Government Grants received by the Company of Rs. 23,850 Lakhs in Financial Year 2006-07 towards capital assets for specific projects out of which Rs. 17,847.58 Lakhs as at March 31, 2018 are deferred for recognition as revenue. The details of these grants tagged with specific assets there against and conditions to be satisfied for the same are not made available for verification. Hence, correctness thereof pertaining to accounting in terms of provisions of Ind AS 20, cannot be commented upon.			The Government Grant is received for the construction of Sub-Station and Lines in the Rural Areas as per the GoM Policy. The Assetwise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not assetwise. MSETCL bifurcated the grant based on the cost of the assets.
6.11	The Company does not collate, maintain and present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.			The fact has been disclosed in the Financial Statements at Note no 37.3
6.12	Satisfactory explanation could not be furnished in course of our audit for substantial reduction to the tune of Rs. 6,109 Lakhs compared to the previous year in the actuarially valued provision made towards Leave encashment despite the fact that number of employees and the rules for leave carry forward and encashment remained substantially same during the year under audit as compared to the previous year.			The provision of leave encashment is done based on the valuation report provided by the Actuary. As per the report the actuarial liability for leave encashment has reduced owing to the retirement of employees with higher pay scales and joining of employees at minimum pay scales.
6.13	Prior period items of Income and expenses have been disclosed by the Company in Note No.45 but the amount of the concerned prior period have not been restated/ recast as required under Ind AS 8.			The fact has been disclosed in the Financial Statements at Note no 45
6.14	The Amount remaining and recognized in the following GL heads/ codes are subject to confirmation and/or reconciliation. The necessary data/ details pertaining to following were not made available for verification during the course of audit:			Balance Confirmation from Sundry Debtors and Creditors is under process.
	GL	<u>Name of Account heads</u>	<u>2017-18 Rs. In lakhs Asset/Exp. (Liability/Income)</u>	MSETCL's Reply
	100050	Grants towards cost of Capital Assets	(17,847.58)	The Government Grant is received for the construction of Sub-Station and Lines in the Rural Areas as per the GoM Policy. The Assetwise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not assetwise. MSETCL bifurcated the grant based on the cost of the assets.

Sr. No.	STATUTORY AUDITORS' REPORT			MSETCL's Reply
6.14	GL	<u>Name of Account heads</u>	<u>2017-18</u> <u>Rs. In lakhs</u> <u>Asset/Exp.</u> <u>(Liability/Income)</u>	MSETCL's Reply
	121020	Private Bonds Interest accrued but not Due	(1,488.25)	Pertains to MSEB HCL. This entry is appearing from 2005. Matter discussed with MSEB HCL. They writeoff all the unclaimed liabilities during the finalisation of Transfer Scheme. They have instructed to write off the same by MSETCL. However, discussion would be taken from them through proper correspondence.
	123030	Security Deposits	(4,322.64)	To be reconciled with field units based on its current status
	123040	Security deposits of jobs/works	(18,091.96)	To be reconciled with the GL 123100 and adjusted accordingly
	123050	Earnest Money	(1,889.05)	To be reconciled with field units based on its current status
	123060	Retention money of Vendor	(66,678.98)	To be reconciled with field units based on its current status
	123070	Misc.Deposits - Vend	(1,598.78)	To be reconciled with field units based on its current status
	123100	Other Deposits from Consumers- O. R. C. Deposits	(57,758.45)	ORC Deposit to be adjusted against completed Assets.
	123110	Retention GL for liquidity charges from vendor	(9,637.69)	To be reconciled with field units based on its current status
	130010	GR / IR CLEARING Account	(4,393.24)	To be reconciled with field units based on its current status
	130020	EMD Dummy entry	(442.11)	To be reconciled with field units based on its current status
	131010	Sundry Creditors Payable Domestic (other than SME)	(18,389.69)	OSL Provisions for Trade Payables
	131030	Sundry Crs - Unpaid Market Bond (Principal & Int)	(4.80)	Only little balance is left for payment as per the Terms and conditions of Bond. Would be cleared in FY 2018-19.
	132010	Sundry Creditors FI Vendor	(6.80)	only 23 vendors needs to be reconciled

Sr. No.	STATUTORY AUDITORS' REPORT			MSETCL's Reply
	GL	Name of Account heads	2017-18 Rs. In lakhs Asset/Exp. (Liability/Income)	MSETCL's Reply
6.14	133010	Sundry Creditors - Inter Company	(3,135.19)	Balance pertains to only MSPGCL and MSEB HCL. Major balance of MSEDCL has been cleared from Trade Receivables.
	134010	Sundry Creditors Employees	(14.93)	To be reconciled with field units based on its current status
	140060	Misc. Deposits from Employee	(41.16)	To be reconciled with field units based on its current status
	150010	Provision for Capital Works	(12,668.71)	To be reconciled with field units based on its current status
	150020	Provision for O&M works	(57.56)	To be reconciled with field units based on its current status
	150030	Provision for Expenses - Others	(1,715.27)	To be reconciled with field units based on its current status
	150040	Provision for Expenses - Employees	(3,943.42)	To be reconciled with field units based on its current status
	219701	ACC Dep not in use	(10,535.90)	To be reconciled with field units based on its current status
	222010	Assets Not in Use	14,039.54	To be reconciled with field units based on its current status
	230040	AUC Cost of Land Devp.onLeaseholdLand - Volt.F100KV	175.35	To be reconciled with field units based on its current status
	230050	AUC Cost of Land Dev.onLeaseholdLand - Volt.G132KV	274.64	To be reconciled with field units based on its current status
	230060	AUC Cost of Land Dev.onLeaseholdLand - Volt.H220KV	1,907.09	To be reconciled with field units based on its current status
	230070	AUC Cost of Land Dev.onLeaseholdLand - Volt.J400KV	49.17	To be reconciled with field units based on its current status
	230090	AUC Cost of Land Dev.onLeaseholdLand - Volt.L765KV	1.60	To be reconciled with field units based on its current status
	232010	AUC OTHER BLDGS-OFFICE, QRTS, TRAINING CENTRE	1,650.45	To be reconciled with field units based on its current status

Sr. No.	STATUTORY AUDITORS' REPORT			MSETCL's Reply
	GL	<u>Name of Account heads</u>	<u>2017-18</u> <u>Rs. In lakhs</u> <u>Asset/Exp.</u> <u>(Liability/Income)</u>	MSETCL's Reply
6.14	237010	AUC Others	18,050.45	To be reconciled with field units based on its current status
	237020	AUC LE	86.89	To be reconciled with field units based on its current status
	237030	AUC ORC	1,826.59	To be reconciled with field units based on its current status
	255010	Material pending investigation	1.11	To be reconciled with field units based on its current status
	255020	Loss due to Material pending investigation	200.11	To be reconciled with field units based on its current status
	256010	Obsolete materials stock (including scrap)	266.00	To be reconciled with field units based on its current status
	260010	STU Sundry debtors for Trans. Charges	147,615.98	To be reconciled STU based on its current status
	260040	Sundry Debtors - Others	78,103.89	To be reconciled with field units based on its current status
	260060	Sundry Debtors - Inter Unit Account	2,126.90	Balance pertains to only MSPGCL and MSEB HCL. Major balance of MSEDCL has been cleared from Trade Receivables.
	290010	Advances to Contractors /Suppliers - O&M	1,375.42	To be reconciled with field units based on its current status
	290020	Capital Advance for Projects	800.07	To be reconciled with field units based on its current status
	292120	Advance against Gratuity to Staff	(28.02)	Advance to be adjusted against final payment made to retired employees
	293050	Miscellaneous Loans & Advances	207.27	To be reconciled with field units based on its current status
	296050	Exp recov from Suppliers	58.24	To be reconciled with field units based on its current status

Sr. No.	STATUTORY AUDITORS' REPORT			MSETCL's Reply
6.14	GL	<u>Name of Account heads</u>	<u>2017-18</u> <u>Rs. In lakhs</u> <u>Asset/Exp.</u> <u>(Liability/Income)</u>	MSETCL's Reply
	296060	Exp.recovfromContractors	182.76	To be reconciled with field units based on its current status
	297020	Other Deposits	6,987.55	To be reconciled with field units based on its current status
	380040	Other Miscellaneous Receipts (GST taxable)	(1,802.43)	Factual
	380041	Other Miscellaneous Receipts (Non-GST)	(1,024.17)	Factual
	<p>The effect of the adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write-back thereof has not been ascertained. Further, in absence of necessary data/ details, the bifurcation of items of assets/ liabilities under 'Current' or 'Non-current' head could not be accurately verified.</p>			
7	<p><u>Opinion</u> In our opinion and to the best of our information and according to the explanations given, the deficiencies noted in internal controls pertaining to preparation and presentation of financial statements, coupled with non-compliances and audit observations noted in "Basis for modified opinion" paragraph above and read with the Notes to the Stand alone Ind AS Financial Statements, the aggregate impact thereof on the said financial statements has not been ascertained/ quantified. As a result, we have not been able to obtain sufficient appropriate audit evidences and ascertain the combined impact of the items noted in "Basis for modified opinion" paragraph above, hence unable to comment thereon; subject to that the Stand Alone Ind AS financial statements, in our opinion, 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 of the financial position of the Company as at March 31, 2018 and its profit (including other comprehensive income), changes in equity and cashflows for the year ended on that date.</p>			Factual
	<u>Other Matters</u>			
8	<p>The statutory audit for the preceding financial year was not carried out by us. The figures, numbers and details pertaining to previous year have been traced from the Standalone Ind AS Financial Statements of the previous year audited by M/s Jain Chowdhary & Co., Chartered Accountants, Mumbai vide their report dated September 27, 2017.</p>			Factual
	<u>Report on Other Legal and Regulatory Requirements</u>			
9	<p>As required by the 'Directions and sub directions' issued by office of the Principal Accountant General- III, Maharashtra vide their 'Letter' in terms of Section 143(5) of the Act, we give in the Annexure A- statement on the directions and sub-directions as specified in the 'Letter'</p>			Factual

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
10	As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.	Factual
11	As required by Section 143(3) of the Act, we report that:	
(a)	We have sought and except as noted in para 6 above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.	Factual
(b)	In our opinion, except as noted in para 6 above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.	Factual
(c)	The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.	Factual
(d)	Except as noted in para 6 above, in our opinion, the Standalone Ind AS Financial Statements comply with the applicable Indian Accounting Standards notified under Section 133 of the Act.	Factual
(e)	On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.	Factual
(f)	With respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and	Factual
(g)	With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	Factual
	i. The Company has a process to assess the impact of pending litigations, other than relating to taxation matters, on its financial position. Refer Note 38	Factual
	ii. Except as stated in para 6 above, the Company has made provisions as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivatives.	Factual
	iii. There were no sums which were required to be transferred to the Investor Education and Protection Fund by the Company.	Factual

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

Sr. No.	AUDITORS’ REPORT	MSETCL’s Reply
	<p>Directions under sub-section (5) of section 143 of the Companies Act, 2013 Our report/findings on directions and sub - direction of CAG should be read in conjunction with our statutory audit report of even date on the Stand Alone Ind AS Financial Statements of the Company for the year ended 31st March, 2018, more particularly paragraph 6 and 7 thereof</p>	
1.	<p>To report whether there are any cases of waiver/ write off of debts/loans/interest etc. if yes, the reasons thereof, and the amount involved. Based on verification of the books of accounts, during the year, the company has provided for/ written off the following amounts as doubtful or bad:</p>	
	<p align="center">Particular</p>	<p align="center">Amount / (Rs. In Lakhs)</p>
	Provision for loss on Inventory pending investigation	82.77
	Provision for Doubtful Debts	10,461.77
	Write off of Interest on Income Tax refund receivable	518.95
	Write off of Receivable from Maharashtra State Electricity Residual Board	160.06
	Write off of Inventory found shortage during physical verification	177.14
	The above does not include adjustment of trade receivables from MSEDCL of Rs.21,183.00 Lakhs against the credit balances lying in Inter Unit Account (IUT) of the several parties including MSEDCL.	Factual
2.	<p>Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities. As per information and explanations given to us, there were no inventories or items of stores/ spares lying with third parties during the year under audit. Further, no assets have been received as gift from Government or other agencies by the Company during the year under audit.</p>	Factual
3.	<p>A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given. Details of the pending litigation/arbitration cases, have been disclosed in Notes to Accounts under the head “Contingent Liability” in Note No. 38 of Standalone Ind AS Financial Statements for the year ended March 31, 2018. The age-wise analysis of these litigation/arbitration cases could not be made available for verification.</p>	Factual

	<p>Legal expenses as and when incurred are accounted for on mercantile basis and are separately shown as "Legal and Professional Fess" under the head 'Other Expenses' in Note No. 26 of Statement of Profit & Loss. The total legal expenses incurred during the year amounted to Rs. 511.50 Lakhs (F.Y. 2016-17 Rs 520.17 Lakhs).</p> <p>The legal expenses were observed to have been authorized and accrued as and when incurred in routine manner as in the case of other administrative expenses</p>	Factual																																																
4.	<p>If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined, including the mode and present stage of disinvestment process.</p> <p>The company has not been selected for 'Disinvestment' purpose. Hence, the information sought under this clause is Not Applicable.</p>																																																	
	<p>Sub-directions under sub-section (5) of section 143 of the Companies Act, 2013</p>																																																	
(1)	<p>Whether there is appropriate classification of Inventory with value such as Scrap, Obsolete Material etc.</p>																																																	
	<p>Inventory has been classified under different GL Codes as under:</p>																																																	
	<table border="1"> <thead> <tr> <th>GL Codes</th> <th>Description of Inventory</th> <th>O/s Balance as at 31st March, 2018(Amt in Rs. Lakhs)</th> </tr> </thead> <tbody> <tr> <td>250010</td> <td>Steel</td> <td>1,184.34</td> </tr> <tr> <td>250020</td> <td>Cement</td> <td>-</td> </tr> <tr> <td>250030</td> <td>Transformers</td> <td>5,138.97</td> </tr> <tr> <td>250040</td> <td>Metering Equipment & substation Equipment</td> <td>4,723.91</td> </tr> <tr> <td>250050</td> <td>Cables & Conductors</td> <td>6,994.78</td> </tr> <tr> <td>250060</td> <td>Poles</td> <td>-</td> </tr> <tr> <td>250070</td> <td>Service Connection Material & Electrical Fittings</td> <td>-</td> </tr> <tr> <td>250080</td> <td>Spares</td> <td>992.16</td> </tr> <tr> <td>280090</td> <td>Others</td> <td>2214.56</td> </tr> <tr> <td>255010</td> <td>Material Pending Investigation</td> <td>1.11</td> </tr> <tr> <td>255020</td> <td>Loss due to Material pending investigation</td> <td>200.11</td> </tr> <tr> <td>255030</td> <td>Spl GL stores Inventory Diff</td> <td>-</td> </tr> <tr> <td>255040</td> <td>MASA Stock rectification</td> <td>(114.44)</td> </tr> <tr> <td>256010</td> <td>Obsolete Material Stock (including scrap)</td> <td>266</td> </tr> <tr> <td>256020</td> <td>Damaged/ Rejected Material</td> <td>-</td> </tr> </tbody> </table>	GL Codes	Description of Inventory	O/s Balance as at 31 st March, 2018(Amt in Rs. Lakhs)	250010	Steel	1,184.34	250020	Cement	-	250030	Transformers	5,138.97	250040	Metering Equipment & substation Equipment	4,723.91	250050	Cables & Conductors	6,994.78	250060	Poles	-	250070	Service Connection Material & Electrical Fittings	-	250080	Spares	992.16	280090	Others	2214.56	255010	Material Pending Investigation	1.11	255020	Loss due to Material pending investigation	200.11	255030	Spl GL stores Inventory Diff	-	255040	MASA Stock rectification	(114.44)	256010	Obsolete Material Stock (including scrap)	266	256020	Damaged/ Rejected Material	-	
GL Codes	Description of Inventory	O/s Balance as at 31 st March, 2018(Amt in Rs. Lakhs)																																																
250010	Steel	1,184.34																																																
250020	Cement	-																																																
250030	Transformers	5,138.97																																																
250040	Metering Equipment & substation Equipment	4,723.91																																																
250050	Cables & Conductors	6,994.78																																																
250060	Poles	-																																																
250070	Service Connection Material & Electrical Fittings	-																																																
250080	Spares	992.16																																																
280090	Others	2214.56																																																
255010	Material Pending Investigation	1.11																																																
255020	Loss due to Material pending investigation	200.11																																																
255030	Spl GL stores Inventory Diff	-																																																
255040	MASA Stock rectification	(114.44)																																																
256010	Obsolete Material Stock (including scrap)	266																																																
256020	Damaged/ Rejected Material	-																																																
	<p>As regards carrying value of the items of inventories, please refer statutory audit report of even date on the Stand Alone Ind AS Financial Statements of the Company, particularly para 6.6 and 6.14</p>																																																	

(III)	<p>Negative balances under "Advances to Contract" may be analyzed and commented with reasons and impact on financial statements.</p> <p>Negative balances under "Advance to Contractor" has been observed and list of such vendor code along with its balance as on 31st March, 2018 is enclosed herewith in Appendix-I. As regards its impact on financial statement we are unable to comment. Please refer 'Basis of Modified opinion' under para 6.14. statutory audit report of even date on the Stand Alone Ind AS Financial Statements of the Company</p>	<p>After verification, scrutiny and reconciliation necessary rectification entry will be passed.</p>																																								
(III)	<p>Whether Profit / Loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company?</p> <p>Yes, except impact, if any, arises out of matters stated under para 6 of statutory audit report of even date on the Stand Alone Ind AS Financial Statements</p>	<p>Factual</p>																																								
(IV)	<p>Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.</p> <p>We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the transmission network of the company is given in the table below:</p>	<p>Factual</p>																																								
<table border="1"> <thead> <tr> <th>Voltage Level</th> <th>EHV Substation</th> <th>Transformation Capacity (MVA)</th> <th>EHV Lines (CKT KM.)</th> </tr> </thead> <tbody> <tr> <td>765 KV</td> <td>1</td> <td>3,000.00</td> <td>-</td> </tr> <tr> <td>500KV HVDC</td> <td>2</td> <td>3,582.00</td> <td>1,504.00</td> </tr> <tr> <td>400KV</td> <td>31</td> <td>30,045.00</td> <td>8,415.50</td> </tr> <tr> <td>220KV</td> <td>223</td> <td>53,185.00</td> <td>17,788.43</td> </tr> <tr> <td>132KV</td> <td>322</td> <td>28,779.50</td> <td>15,454.41</td> </tr> <tr> <td>110KV</td> <td>36</td> <td>2,330.00</td> <td>1,759.37</td> </tr> <tr> <td>100KV</td> <td>38</td> <td>2,798.00</td> <td>701.40</td> </tr> <tr> <td>66KV</td> <td>7</td> <td>127.00</td> <td>594.80</td> </tr> <tr> <td>Total</td> <td>660</td> <td>123,846.50</td> <td>46,217.91</td> </tr> </tbody> </table> <p>As further informed by the management of the Company, present transmission system availability and losses as against MERC benchmark are narrated as under:</p>			Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)	765 KV	1	3,000.00	-	500KV HVDC	2	3,582.00	1,504.00	400KV	31	30,045.00	8,415.50	220KV	223	53,185.00	17,788.43	132KV	322	28,779.50	15,454.41	110KV	36	2,330.00	1,759.37	100KV	38	2,798.00	701.40	66KV	7	127.00	594.80	Total	660	123,846.50	46,217.91
Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)																																							
765 KV	1	3,000.00	-																																							
500KV HVDC	2	3,582.00	1,504.00																																							
400KV	31	30,045.00	8,415.50																																							
220KV	223	53,185.00	17,788.43																																							
132KV	322	28,779.50	15,454.41																																							
110KV	36	2,330.00	1,759.37																																							
100KV	38	2,798.00	701.40																																							
66KV	7	127.00	594.80																																							
Total	660	123,846.50	46,217.91																																							
<table border="1"> <thead> <tr> <th colspan="3">HVAC System (MERC Benchmark 98%)</th> </tr> </thead> <tbody> <tr> <td>Year</td> <td>2016-17</td> <td>2017-18</td> </tr> <tr> <td>Avail</td> <td>99.63%</td> <td>99.61%</td> </tr> <tr> <th colspan="3">HVDC System (MERC Benchmark 95%)</th> </tr> <tr> <td>Year</td> <td>2016-17</td> <td>2017-18</td> </tr> <tr> <td>Avail</td> <td>97.00%</td> <td>96.41%</td> </tr> </tbody> </table>			HVAC System (MERC Benchmark 98%)			Year	2016-17	2017-18	Avail	99.63%	99.61%	HVDC System (MERC Benchmark 95%)			Year	2016-17	2017-18	Avail	97.00%	96.41%																						
HVAC System (MERC Benchmark 98%)																																										
Year	2016-17	2017-18																																								
Avail	99.63%	99.61%																																								
HVDC System (MERC Benchmark 95%)																																										
Year	2016-17	2017-18																																								
Avail	97.00%	96.41%																																								

<p>(V)</p> <p>How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?</p> <p>We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the information in this regard is furnished as under.</p> <p>The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the F.Y. 2017-18 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:</p>	<p>Intra State Transmission System (In. STS) Grid Loss for F.Y. 17-18</p>	<p>Energy Input Intra STS (In Million Units)</p>	<p>Energy Output Intra STS (In Million Units)</p>	<p>Transmission Loss (In % age)</p>	<p>Factual</p>
	<p>Month</p>	<p>14,032 14,061 11,743 11,732 12,117 11,302 11,821 12,536 12,500 12,678 11,790 14,021 150,334</p>	<p>13,522 13,569 11,348 11,368 11,708 10,927 11,404 12,157 12,143 12,271 11,411 13,555 145,385</p>	<p>3.64% 3.50% 3.36% 3.10% 3.38% 3.32% 3.53% 3.02% 2.85% 3.21% 3.21% 3.32% 3.29%</p>	
<p>(VI)</p>	<p>From perusal of the table above, it is evident that Transmission Loss incurred by MSETCL was 3.29% which is below the MERC's bench mark. The said loss in accounting parlance is to be termed as "Normal Loss" not requiring any separate accounting in the books of accounts.</p>				<p>Factual</p>
<p>Whether the assets have been constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the books of Accounts.</p> <p>Based on the information, explanation and representations received from the management of the Company, the details in this regard are as under:</p> <p>As informed to us in course of our audit, the Company has divided its field operations amongst seven different zones in the state of Maharashtra. The major activity of the company is 'transmission of power'. Company also undertakes construction of small sub-stations, towers, plants etc., for the supply of power to other agencies on 'order specific basis'. Such works are identified in the company as 'ORC works'. The company charges 'Supervision Fees' over and above the expenditure incurred for executing such "ORC Work" which gets recognized as company's revenue.</p> <p>The details of ORC works across its different zones, as provided by the management, are given in the table below:-</p>					

Sr. No.	Zones	ORC works as at 01.04.17	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.18	
1	Amravati	1	6	-	7	Factual
2	Aurangabad	14	3	9	8	
3	Karad	7	-	6	1	
4	Nagpur	37	1	2	36	
5	Nasik	11	12	-	23	
6	Pune	75	19	13	81	
7	Vashi	41	22	5	58	
Total		186	63	35	214	
<p>In course of execution of the ORC works, deposits are taken from parties for whom the company performs/ executes such ORC works. Such ORC deposits are accounted for under GL Code 123100 which has an outstanding balance of Rs. 57,758.45 Lakhs (Previous Year Rs. 27,071.95 Lakhs as at 31/03/17). It was observed that old unreconciled balances are appearing in the said ledger for which details were readily not available with the respective profit centre within said seven zones of the Company.</p> <p>However, it is to be noted that the ultimate ownership of such assets is with the Company only. The Assets are not handed over to the Other Agencies. The deposits collected from them is adjusted against the Assets constructed and a nominal value of Rs 1 is kept in the Asset Master for identification.</p> <p>Company also executes projects for evacuation of power in case of generation of energy from non-conventional sources. As per accounting policy 2.16(B), 50% of the cost of such power evacuation project is borne by Company and balance 50% is to be reimbursed by Maharashtra Energy Development Agency (MEDA) to the respective private developer. In such cases also, there is no hand over of the assets to the other agencies.</p> <p>Execution of MEDA project is done by two ways. (i) wherein the vendor gives the entire amount beforehand for execution of the project to the Company as ORC deposit and the Company after the execution of project reimburses 50% to the vendor and creates the asset of the same value and the remaining 50% is paid by MEDA to the vendor. (ii) wherein the vendor itself executes the project and the Company subsequently pays 50% of the cost of project to the vendor and MEDA reimburses the remaining 50% to vendor.</p> <p>The amount payable by Company to the vendor/ private developer is accounted for under GL code 131010. It has been observed that both such GL codes (123100 & 131010) remain unreconciled as at the year end. Complete details of such projects falling under MEDA grant are not readily available with the Company. As a result, whether Asset Capitalization of such MEDA projects is accurate or not cannot be commented upon.</p>						
<p>Items contained in the inspection report of CAG in previous year and remaining open till the date of Balance Sheet under report Please refer Appendix II to this report for the list of such items</p>						Replies in Appendix II
(VII)						

Appendix-I: Vendor Code having negative balance(Amt in Rs. lakhs)

Sr. No.	Vendor Code	Balance as at March 31, 2018	Vendor Code	Balance as at March 31, 2018	Vendor Code	Balance as at March 31, 2018
	4000000010	-449.45	4000000441	-3.39	4000000296	-72.08
	4000000011	-307.82	4000000442	-3.52	4000000330	-8.64
	4000000014	-6.11	4000000476	-24.96	4000000351	-2.09
	4000000043	-95.40	4000000730	-0.04	4000000354	-3.69
	4000000052	-51.18	4000000799	-0.23	4000000359	-32.59
	4000000064	-2,518.08	4000000875	-97.66	4000000361	-0.20
	4000000066	-238.46	4000000893	-71.58	4000000377	-0.06
	4000000086	-26.85	4000000916	-5.74	4000000400	-71.46
	4000000093	-241.14	4000000922	-18.49	4000000403	-17.70
	4000000111	-24.96	4000000928	-0.70	4000000415	-38.82
	4000000115	-128.24	4000000934	-23.49	4000000419	-1,120.49
	4000000117	-11.26	4000000938	-57.99	4000000421	-42.9
	4000000119	-0.61	4000000969	-3.06	4000000424	-149.41
	4000000133	-218.10	4000001006	-0.22	4000000425	-179.78
	4000000140	-46.20	4000001023	-2.62	4000002812	-0.25
	4000000152	22.71	4000001031	-2.40	4000003173	-0.01
	4000000154	-5.33	4000001033	-0.01	4000003697	-17.01
	4000000164	-0.42	4000001067	-114.77	4000004138	-1.00
	4000000165	-4.33	4000001072	-0.53	4000004972	-0.58
	4000000171	-99.84	4000001301	-0.01	4000005328	-0.87
	4000000175	-14.44	4000001338	-0.25	4000005377	-0.25
	4000000216	-67.14	4000001552	-5.44	4000006164	-3.97
	4000000217	-40.30	4000002558	-0.25	4000006894	-0.05
	4000000228	-9.50	4000002708	-0.05	4000007463	-0.42
	4000000276	-226.92	4000002720	-0.37	4000008012	-0.19
	4000000277	-4.49	4000002725	-0.67	4000009661	-0.08
	4000012375	-14.88				

Necessary reconciliation is being carried out

Appendix - II:- Items contained in the inspection report of CAG in previous year and remaining open:				
Sr. No.	CAG's COMMENTS	MSETCL's REPLY in Financial FY 2016-17	Status as at end of FY 2017-18 and Auditor's Remarks	MSETCL's Current Reply
<p>A. Comment on Profitability Ind AS Compliant Statement of Profit & Loss Revenue from Operation (Note 22): -Rs. 2162.05 crores.</p>				
1.	<p>This does not include Bay maintenance charges of Rs 181.64 Lakhs upto March 2017 receivable from M/s Power Grid Corporation India Limited (PGCIL) and M/s Maharashtra Eastern Grid Power Transmission Company Ltd (MEGPTCL). This has resulted in understatement of Revenue from operations by Rs 181.64 Lakhs and subsequent understatement of Trade Receivables and overstatement of loss for the year to that extent.</p>	<p>As per para 20 & 23 of IND AS 18 w.r.t. Revenue, Revenue is recognized only when ALL the conditions as stated under para 20 are met. The 1st condition of IND AS 18 para 20 is that revenue is to be recognized only when the amount of revenue can be measured reliably; Further as per para 23 of IND AS 18, it is stated that 'reliable' estimates w.r.t. revenue can only be made if both the parties involved in the transaction have agreed to the terms & conditions of the transaction. In other words, both parties have entered into an MOU. It is pertinent to note that the MOU between PGCIL and MSETCL for all the 6 bays to be maintained under EHV O&M Circle Aurangabad was entered during May 2017 & July 2017. Therefore, the bay maintenance charges can only be rightly considered as revenue in FY. 2017-18. Hence, the necessary entries for booking the revenue has been accounted in FY 2017-18. In the case of Rs. 89.14 Lakhs related to Maharashtra Eastern Grid Power Transmission Company Ltd, we are in agreement with fact that principally the same should have been booked on accrual basis for the F.Y. 2016-17.</p>	<p>Bay maintenance charges of Rs 92.50 Lakhs up to March 2017 receivable has not been accounted in FY 2017-18</p>	<p>EHV O&M Circle Aurangabad is regularly raising the Invoice of Bay maintenance charges to PGCIL and MEGPTCL. The amount is also being received and booked as Income in the financial year.</p>
2.	<p>Income - Other Income (Note 23): - Rs. 1033.31 crores.</p> <p>This does not include interest of Rs 54.19 Lakhs on outstanding mobilisation advance pending recovery from M/s GK Power and M/s Rounak Industries. This has resulted in understatement of Other Income and Trade Receivable with overstatement of Loss for the year to the extent of Rs. 54.19 Lakhs.</p>	<p>The said issue will be examined by Competent Authority and necessary provision, if required thereafter will be made in FY 2017-18 and recovery of the said interest amount, if levied will be made from the relevant parties.</p>	<p>The competent authority's views not yet obtained; Interest of Rs. 54.19 Lakhs has not been accounted in FY 2017-18</p>	<p>Interest of Rs Rs. 30,89,931 Lakhs already recovered from M/S Rounak vide document No. 100201850 & 100222248 in FY 2017-18. No provision for interest against M/S GK Power is done as, the matter is under dispute.</p>
2.	<p>Income - Other Income (Note 23): - Rs. 1033.31 crores.</p>			

Sr. No.	CAG's COMMENTS	MSETCL's REPLY in Financial FY 2016-17	Status as at end of FY 2017-18 and Auditor's Remarks	MSETCL's Current Reply
2 (b)	This is understated by Rs 135.00 Lakhs due to non adjustment of the penalty and interest from the retention money of the contractor resulting in understatement of Other Income, Overstatement of Non-Current Liabilities and Loss for the year to the extent.	The time limit extension for the related Nagpur CCM Circle was granted in F.Y. 2016-17 itself and the amount of Rs. 135 Lakhs on account of Penalty was recoverable from the contractor in F.Y. 2016-17. However, the said amount of Penalty was not recovered during the contractor in F.Y. 2016-17. The company assures to adjust the same from the retention of the contractor and account for the same in F.Y. 2017-18.	Rs. 135 Lakhs does not appear to have been accounted in FY 2017-18	The income against LD is accounted for in FY 2018-19 vide Doc No.1800000717, 1800000818 & 1800000716
B. Comments on Financial Position				
Balance Sheet				
Asset				
3	Property, Plant and Equipment (Note 4.1): Rs.16,222.78 crores			
3 (a)	This includes Rs.43.52 lakh being the excess price variation paid on mobilisation advance to various contractors. The price variation is allowed on the basic price of supply, erection and civil works and should not have been granted on mobilisation advance. This has resulted in overstatement of Property, Plants and Equipments and understatement of Other receivables to the extent of Rs 43.52 lakh.	Out of this recovery Rs. 18.00 Lakhs pertain to M/s KPTL, which is being recovered from ensuring bill to be submitted by M/s KPTL. Remaining amount of Rs.25.52 Lakhs pertains to M/s ECI Shanghai. There are no future claims expected from M/s ECI so option of encashment of BG is being explored. However, the matter is sub-judicial. The decision will be taken subject to final decision of the Court.	No Recovery of excess price variation paid on mobilisation advance of Rs. 43.52 Lakhs from either of the parties. The matter is informed to be still sub-judicial	As on 27.09.2018 Rs 3,79,885 pending for recovery from KPTL. Statement of recovery KPTL Doc No. 100006679 Rs. 2,93,018 Doc No. 100003330 Rs. 10,50,000 Doc No. 100059580 Rs. 1,00,000 ECI Doc No. 100153650 Rs. 22,43,863 Doc No. 100154248 Rs. 2,86,282. The Balance amount would be recovered by encashing the Bank Guarantee based on the final decision by the Court.
4	Capital Work-in-progress (Note 4.2): Rs. 2,68,633.64 Lakhs.			
4 (a)	This includes Rs 217.00 Lakhs incurred by the Company towards the security charges at work site which was recoverable from the Contractors. This has resulted in overstatement of Capital Work-in-progress and	MSETCL had awarded the work of 220KV Nandgaon Peth S/Stn and 220KV Anjangaon S/Stn along with its associated lines in Amravati District and 220 KV Malegaon S/St and 132 KV Jalgaon Jamod S/Stn along with their associated lines in	Status quo remains. The matter is informed to be still sub-judicial	The matter is still sub-judicial

Sr. No.	CAG's COMMENTS	MSETCL's REPLY in Financial FY 2016-17	Status as at end of FY 2017-18 and Auditor's Remarks	MSETCL's Current Reply
	<p>understatement of Other Receivables to the extent of Rs.217.00Lakhs.</p>	<p>Buldhana District to M/s ECI - Shanghai JV. However, due to non-performance of M/s ECI-Shanghai JV, MSETCL had awarded the work of 220KV Nandgaon Peth S/Stn and 220KV Anjangaon S/Stn along with its associated lines in Amravati District and 220 KV Malegaon S/St and 132 KV JalgaonJamod S/Stn along with their associated lines in Buldhana District to M/s ECI - Shanghai JV. However, due to non-performance of M/s ECI-Shanghai JV, MSETCL had terminated their EPC contract vide letter MSETCL /ED(P) /EPC/6243 dated 08/05/12.</p> <p>In order to safeguard the materials and assets w.r.t. the above mentioned projects lying at the above mentioned sites and to avoid the possibility of theft, the competent authority decided to provide MSETCL's security at those sites. Thus, the expenditure so incurred on providing services of security guards during the period 2011-12 to March 2017 was accounted for under Capital Work in Progress. Which will be treated as receivable and reduced will be accounted for in the F.Y. 2017-18.</p> <p>MSETCL, in turn has awarded the contract on 'risk and cost basis' to other contractors for completion of above mentioned schemes of M/s ECI Shanghai. The company will certainly initiate recovery of such excess charges incurred from the erring contractor i.e. M/s ECI Shanghai. There are no future claims expected from M/s ECI, so option of encashment of BG is being explored. However, the matter is subjudiced. The decision will be taken subject to final decision of the Court.</p>		

Sr. No.	CAG's COMMENTS	MSETCL's REPLY in Financial FY 2016-17	Status as at end of FY 2017-18 and Auditor's Remarks	MSETCL's Current Reply
4 (b)	This also includes Rs 159.42 lakh being ineligible price variation paid to the contractors on the tax element included in the price of the materials which resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables by Rs 159.42 lakh.	The partial has been recovered in FY 2017-18 & only remaining recovery of Rs. 39 Lakhs is in progress.	Rs 39 Lakhs pending to be recovered	The necessary amount would be recovered from the upcoming bills of the Agency
5	<p>Equity and Liabilities</p> <p>Other equity (Note no. 13) Rs. 1095.88 crores</p> <p>Reserves and Surplus: Rs 380.98 crores</p>			
4	This includes Rs 449.00 lakh being the cost of ORC works treated as Income during 2014-15. The Company assured to make necessary adjustment during 2016-17. The non-compliance of the assurance resulted in overstatement of Reserves and Surplus and Fixed Assets to the extent of Rs 449.00 lakh with consequent effect on the depreciation and loss for the year.	Statutory Auditor's vide their Audit Report para IV 2(xiv) have qualified the said account related to ORC deposits as unreconciled. The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	ORC deposit has not been reconciled in the FY 2017-18	Reconciliation is in progress
6.	Other Non-Current Financial Liabilities (Note: 14.2) :- Rs. 1,467.89 crore			
6 (a)	This includes Rs.2790.00 lakh deposited by M/s MEGPTCL towards capital works which have already been completed .As per the practise being followed by the Company, such deposits are adjusted	In the above context, it is to submit that M/S MEGPTCL has deposited Rs. 2790 Lakhs (excluding supervision charges) towards MSETCL for construction of 2X765kV End bays at 765kV Ektuni s/s for	ORC deposit has not been reconciled in the FY 2017-18 As informed, work against which the deposit was taken has been completed but same is yet to be adjusted in books pending scrutiny of details of civil work	Reconciliation is in progress

Sr. No.	CAG's COMMENTS	MSETCL's REPLY in Financial FY 2016-17	Status as at end of FY 2017-18 and Auditor's Remarks	MSETCL's Current Reply
	<p>against the cost of assets. Non adjustment of deposits for completed capital works resulted in overstatement of Other Non current liabilities with corresponding overstatement of Fixed Assets to the extent of Rs 2790.00 lakh.</p>	<p>765kV Akola-Aurangabad line Ckt-I & II. Cost estimate of 2X765kV End bays consist of electrical part & civil part of works required for construction of bays. 2X765kV End bays were commissioned on 27.05.2016. Amount incurred for construction of 765 kV End bays was capitalized in SAP system and deposit of Rs. 2790 Lakhs (excluding supervision charges) is being adjusted against the asset in FY 2017-18 excluding the taxes. Actual cost for civil part of works & electrical part of works is derived on prorata basis for some of the items as common facilities for total substation works. Civil expenses details are under scrutiny and will be clubbed with electrical works expenses to submit revised demand note to M/SMEGPTCL.</p> <p>It is hereby submitted that the amount of Rs. 2790 Lakhs (excluding supervision charges) will be settled in year 2017-18 from the ORC deposits head with reference to the work completion at site & appropriate entry will be passed in SAP.</p> <p>It is further stated that Statutory Auditors in their Audit Report relating to F.Y. 2016-17, vide para IV-2(xiv) had duly qualified that Account GL Code 123.100- ORC Deposit are unreconciled.</p>		

Sr. No.	CAG's COMMENTS	MSETCL's REPLY in Financial FY 2016-17	Status as at end of FY 2017-18 and Auditor's Remarks	MSETCL's Current Reply
6 (b)	<p>This includes Rs 400.00 lakh being deposit for construction of bays under ORC works against which the existing bays were allotted to the parties. As such, the deposits of Rs 400 lakh should have been set off by transferring the same to Other Income. This has resulted in understatement of Other Income and Overstatement of Non-current liabilities and loss to the extent of Rs 400.00 lakh.</p>	<p>In order to execute ORC works, deposits are taken from the parties for whom company performs/executes such ORC works. Aurangabad EHV O&M Circle has executed 7 ORC works with Rs 221 Lakhs including supervision charges and Nagpur O&M Circle had completed 8 ORC works worth Rs.237.00 Lakhs. Work Completion Report (WCR) against all the ORC works executed were received in the month of November 2017. Necessary accounting entry will be passed in FY 2017-18 as per the assets identified in Fixed Asset Register in accordance with the guidelines issued in context to Ind AS Policy.</p>	<p>Rs 400 lakh has not been accounted as "Other Income" in the FY 2017-18</p>	<p>There are total 13 Nos of ORC Deposits Amounting Rs.401.75 Lakhs as under:- Out of which, 2 Nos of ORC Deposits received from M/s MSRDC Amounting Rs.37.30 Lakhs and M/s MSEDCL Amounting Rs.52.63 Lakhs, wherein Proposal for refund has been sent by Circle Office to Z.O., Nagpur and shall be adjusted on approval by C.A. 9 Nos of ORC Deposits were received towards Supply of 33KV Feeder Bays, wherein Spare Bays have been allotted to the Consumer. Guidelines for adjusting the Deposit Amount was sought vide Circle Office Letter No.546 Dt.25.02.2016 and e-mail on 23.02.2017. Also the matter has been referred by Zonal Office to C.O. Through e-mail DT.31.01.2017 and DT.18.07.2017. On receipt of proper guidelines, the same shall be adjusted accordingly. 2 Nos of ORC Deposited against Hight Raising Work, wherein Work is under progress.</p>
6 (c)	<p>In response to the Audit Comments for the year 2015-16, the Company assured to adjust the deposits pertaining to the completed ORC works amounting to Rs 9,026.00 lakh during 2016-17 against Fixed Assets. The non-compliance of the assurance resulted in continuation of Non-overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs 9,026.00 lakh with consequent effect on the depreciation and the Loss for the year.</p>	<p>Statutory Auditor's vide their Audit Report para IV 2(xiv) have qualified the said account related to ORC deposits as unreconciled. The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.</p>	<p>ORC deposits have not been reconciled in the FY 2017-18</p>	<p>Reconciliation is in progress</p>

“ANNEXURE-B” TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 10 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date)

Sr. No.	Auditor's report	MSETCL Reply
I	In respect of its fixed assets:	
	a) The Company followed the practice of maintaining their Fixed Assets (other than intangible assets) details in 'AR01' register. Details of Intangible Assets are maintained by the Company in an Electronic Spreadsheet. The value of such aggregate fixed assets has been now entered in SAP system. Accordingly, the amount of total fixed assets as per SAP and AR01 register/ electronic spreadsheet is reconciled. However, the complete quantitative details and situation of fixed assets is not available either in SAP or in AR01 register/ electronic spreadsheet;	MSETCL has implemented SAP/ERP and an exercise was carried out to update the Fixed Assets Registers data incorporating the quantitative details.
	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.	Instructions have been issued to carry out the physical verification of fixed assets profit centre wise.
	c) The records relating to immovable properties as reflected in the Standalone Ind AS Financial Statements (i.e. Land Title, Lease Deed, 7/12 extract etc.) are not maintained properly or updated and the same are not reconciled with the Standalone Ind AS Financial Statements as at March 31, 2018. In absence of complete records we are unable to state whether all such immovable properties are in the name of the Company.	Compilation of ready made documents of land/leasehold lands is in progress, however it would take time since the same has to be collected from the respective land authorities from various zones.
II	a) The Company had planned an annual stock verification program for the F.Y. 2017-18. The inspection/ valuation of stocks lying with Company was 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
III	According to the information and explanation given, the Company has not granted any loans to companies, firms, LLPs or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Hence reporting under the clause (III) - (a) to (c) of The Order is not applicable to the Company.	Factual
IV	In our opinion and according to the information and explanation given, the Company has complied with the provision of section 185 and section 186 of the Act.	Factual
V	In our opinion and according to the information and explanation given, The company has not accepted any deposits from the public during the year in terms of the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.	Factual

Sr. No.	Auditor's report	MSETCL Reply																								
VI	We have broadly reviewed the books of account maintained by the Company as specified under section 148(1) of the act and are on the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.	Factual																								
VII	<p>In respect of applicable statutory dues:</p> <p>a) According to the information and explanations given and on the basis of our examination of books and records of the Company, in respect of amounts deducted/ accrued in the books of account, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods & Service tax, Service Tax, Value Added Tax, Cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. As informed, the duty of Customs and duty of Excise is not applicable to the Company during the year under report. There are no undisputed statutory dues payable in respect to above statutes, outstanding as at March 31, 2018 for a period of more than six months from the date they became payable, except following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sr. No.</th> <th style="text-align: center;">Name of Statute</th> <th style="text-align: center;">Nature of the Dues</th> <th style="text-align: center;">Amount (Rs. in Lakhs)</th> <th style="text-align: center;">Period to which the amount relates</th> <th style="text-align: center;">Date of Subsequent Payment</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Goods and Services Tax (GST)</td> <td>GST under RCM on Director Sitting Fees</td> <td style="text-align: center;">0.28</td> <td>FY 2017-18</td> <td>19th July, 2018</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Sales Tax</td> <td>Sales Tax liability for previous years</td> <td style="text-align: center;">0.59</td> <td>Unreconciled Amount</td> <td>19th July, 2018</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Finance Act (Service Tax)</td> <td>Interest on Service Tax for previous year on the supervision charges collected from ORC vendors (Provided on the basis of CAG Para. Service Tax Liability already paid)</td> <td style="text-align: center;">267.34</td> <td>FY 2014-15</td> <td>Yet not Paid</td> </tr> </tbody> </table> <p>b) According to information and explanations given and on the basis of our examination of the books and records of the Company, there is no disputed Income tax, Sales-tax, Service Tax, Goods & Service Tax and Value Added Tax as on 31st March, 2018 which have not been deposited except the following disputed dues which have not been deposited since the matters are pending with the relevant forum:</p>	Sr. No.	Name of Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Date of Subsequent Payment	1	Goods and Services Tax (GST)	GST under RCM on Director Sitting Fees	0.28	FY 2017-18	19 th July, 2018	2	Sales Tax	Sales Tax liability for previous years	0.59	Unreconciled Amount	19 th July, 2018	3	Finance Act (Service Tax)	Interest on Service Tax for previous year on the supervision charges collected from ORC vendors (Provided on the basis of CAG Para. Service Tax Liability already paid)	267.34	FY 2014-15	Yet not Paid	Factual
Sr. No.	Name of Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Date of Subsequent Payment																					
1	Goods and Services Tax (GST)	GST under RCM on Director Sitting Fees	0.28	FY 2017-18	19 th July, 2018																					
2	Sales Tax	Sales Tax liability for previous years	0.59	Unreconciled Amount	19 th July, 2018																					
3	Finance Act (Service Tax)	Interest on Service Tax for previous year on the supervision charges collected from ORC vendors (Provided on the basis of CAG Para. Service Tax Liability already paid)	267.34	FY 2014-15	Yet not Paid																					

Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where the matter is pending	Amount (Rs. Lakhs)	MSETCL's Reply
Income Tax Act, 1961	Fringe Benefit tax	2006-07	The Assistant Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	17.58	A demand of Rs.17,57,875/- was raised by the income-tax department in terms of an Order dated 31 December 2008 passed under section 115WE (3) of the Income-tax Act, 1961. A rectification application was preferred against the same - the same is pending with the Assessing Officer - after rectification of errors apparent on record viz., non credit of self-assessment tax paid and interest charged in excess under section 115WJ(3) of the Income-tax Act, 1961 - no sum is payable by the Company.
Income Tax Act, 1961	Fringe Benefit tax	2007-08	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	73.32	A demand of Rs. 73,32,362/- raised.
Income Tax Act, 1961	Fringe Benefit tax	2008-09	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	24.45	A demand of Rs. 24,45,709/- raised.
Income Tax Act, 1961	Fringe Benefit tax	2009-10	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	25.75	A demand of Rs. 25,74,948/- raised.
Income Tax Act, 1961	Income Tax	2008-09	The Income-tax Appellate Tribunal (Departmental Appeal)	328.41	A demand of Rs.3,28,40,877/- (In terms of OGE dated 22 September 2011 an amount of Rs. 3,28,40,877/- is payable. Rectification Letter dated 01 February 2012 filed with the ACIT-10(1) against the same pointing out the errors apparent on record - 1. Non granting of relief vis-à-vis the excess disallowance of depreciation to the tune of 28,11,46,639/-. After rectifying the errors amount refundable is Rs. 20,93,15,025/-. However the same has not been acted upon.)
Income Tax Act, 1961	Income Tax	2009-10	The Commissioner of Income-tax, (Appeals)-22, Mumbai	19,000.83	A demand of Rs. 1,90,00,83,669/- raised in terms of the Order dated 30 March 2011 passed u/s. 144 r.w.s. 147 of the Income-tax Act, 1961. The matter has been heard by the CIT(A) and a remand report from the AO is awaited.
Income Tax Act, 1961	Income Tax	2010-11	The Income-tax Appellate Tribunal	3,519.00	A demand of Rs. 35.19 Crs. (after adjustment of refund of Rs. 18.53 crores of AY 2011-12). The CIT(A) vide his Order dated 10.02.2015 has allowed the appeal, however, an Order giving effect is, as yet, pending to be passed.
Income Tax Act, 1961	Income Tax	2010-11	Commissioner of Income-tax (Appeals) - 22 - Mumbai	310.35	A demand of Rs. 3,10,34,590/- has been determined as payable in terms of an Order dated 21 December 2017 passed u/s. 143(3) r.w.s. 147 of the Income-tax Act, 1961

	Income Tax Act, 1961	Income Tax	2011-12	The Commissioner of Income-tax (Appeals) - 22, Mumbai	1,853.10	Amount of Rs. 18,53,09,560/- determined as refundable as per Assessment Order (adjusted against the demand for the AY 2010-11)
	Income Tax Act, 1961	Income Tax	2012-13	The Assistant Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	311.05	A demand of Rs. 3,11,05,282/- payable in terms of Order dated 31 March 2015 passed u/s. 143(3) of the Income-tax Act, 1961. The Commissioner of Income-tax (Appeals) - 22, Mumbai has fully allowed the appeal filed by the Company. Order giving effect to the CIT(A)'s Order is awaited and a request for same has already been made on 30 March 2017. Also in terms of an Order dated 04 December 2017 a sum of Rs. 4,48,120/- has been determined as payable to the Company
	Income Tax Act, 1961	Income Tax	2012-13	The Commissioner of Income-tax (Appeals) - 22, Mumbai	9.71	A demand of Rs. 9,70,568/- has been determined as payable in terms of an Order dated 21 December 2017 passed u/s. 143(3) r.w.s. 147 of the Income-tax Act, 1961
	Income Tax Act, 1961	Income Tax	2013-14	The Commissioner of Income-tax (Appeals) - 22, Mumbai	936.87	A demand of Rs. 9,36,86,930/- has been determined as payable in terms of Order dated 27 February 2017 passed u/s. 154 of the Income-tax Act, 1961 - appeal has been filed with the CIT(A) which appeal is pending adjudication.
	Income Tax Act, 1961	Income Tax	2014-15	The Commissioner of Income-tax (Appeals) - 22, Mumbai	17,524.47	A demand of Rs. 1,75,24,46,620/- has been determined as payable in terms of Assessment Order dated 30 December 2016 passed u/s. 143(3) of the Income-tax Act, 1961. The said Order has not been accepted as correct and binding and an appeal against the same has been filed to the CIT(A) - the said appeal is pending adjudication. However, in terms of the Order dated 04 December 2017 passed u/s. 154 of the Income-tax Act, 1961 a sum of Rs. 40,56,58,030/- has been determined as refundable to the Company.
VIII						Based on our audit procedures and as per the information and explanations, the Company has not defaulted in repayment of loans or borrowings to banks, financial institutions or government during the year. The Company has not issued any debentures.
IX						During the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given, the term loans have been prima facie applied by the Company during the year for the purpose for the purpose for which it was obtained.
X						During the course of our examination of the books of account and records of the Company and according to information and explanation given, we have neither noticed nor have been informed by the management, any incident of fraud by the Company or on the Company by its officers or employees.
XI						As informed, the provisions of Section 197 are not applicable to the company, being Government Company, as per the notification of MCA dated 5 th June, 2015.
XII						The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

Sr. No.	Auditor's report	MSETCL Reply
XIII	<p>In our opinion and according to the information and explanations given, the Company is in compliance with the applicable provisions of Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.</p>	Factual
XIV	<p>According to the information and explanations given, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.</p>	Factual
XV	<p>In our opinion and according to the information and explanations given, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.</p>	Factual
XVI	<p>In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.</p>	Factual

“Annexure C” to INDEPENDENT AUDITORS' REPORT

(Referred to in para 11 (f) under the heading “Report on other legal and regulatory requirements” of our report of even date)

**REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING
UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE
COMPANIES ACT, 2013 (“THE ACT”)**

Sr. No.	Auditor's report	MSETCL Reply
	<p>We have audited the internal financial controls over financial reporting of Maharashtra State Electricity Transmission Company Limited (“the Company”) as at March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.</p>	<p>Factual</p>
	<p>MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.</p>	<p>Factual</p>
	<p>AUDITORS' RESPONSIBILITY Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.</p>	<p>Factual</p>

	<p>MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING</p> <p>A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.</p>	<p>Factual</p>
	<p>INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING</p> <p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	<p>Factual</p>
	<p>OPINION</p> <p>In our opinion, the Company has an internal financial controls system over financial reporting, design whereof needs to be enhanced to make it comprehensive. Based on selective verification of process controls matrixes, made available to us, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note, the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.</p>	<p>MSETCL has appointed an Expert Professional to guide the Company for the development of internal control processes, which would exhibit the adequacy commensurating with the size of the Company and nature of its business.</p>

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENT OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of Financial Statements of **Maharashtra State Electricity Transmission Company Limited** for the year ended **31 March 2018** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 are responsible for expressing opinion on the Financial Statements under section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **27 August 2018**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Financial Statements of **Maharashtra State Electricity Transmission Company Limited** for the year ended **31 March 2018** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report.

A. Comments on Profitability

Statement of Profit & Loss

Revenue

Other Income (Note 22): - Rs. 190.25 crores

1. This does not include Rs.2.92 crore being liquidated damages/penalty recovered from a contractor in two sub-stations for time limit extension against scheduled date of completion granted in 2017-18, which has instead been included in Liabilities (Retention money for liquidated damages).

This resulted in overstatement of Other Non-Current Liabilities and understatement of Other Income with consequent understatement of profit by Rs.2.92 crore.

2. This includes Rs.3.81 crore, being the supervision charges deposited by third parties in three circles ¹ for Outright Consumers works for which the works are not taken up/completed. This resulted in overstatement of Other Income and profit and understatement of Other Non-current Liabilities by Rs.3.81 crore.

B. Comments on Financial Position

Balance Sheet

Assets

Non-Current Assets

Property, Plant and Equipment (Note 4.1): Rs.16,568.26 crores

3. This does not include Rs.10.75 crore being the value of various assets ² commissioned in 2017-18 but not capitalised.

This resulted in understatement of Non-current Assets with consequent overstatement of work in Progress by Rs.10.75 crore. The impact on the depreciation for the year due to understatement of Non Current Assets could not be quantified.

4. This also does not include Rs.0.72 crore being the enhanced compensation payable for land acquisition, which was deposited in the court and encashed by the land owner. The amount, however, continued to be shown as deposit without adjusting for the encashment. This resulted in overstatement of Other Current Assets (Deposit) with corresponding understatement of Non-current Assts (PPE) by Rs.0.72 crore.

1. EHV Project circle, Pune (Rs. 7.85 Lakh), EHV O&M Circle, Pune (Rs. 14.94 Lakh) and EHV project circle, Nasik (Rs. 357.99 Lakh)

2. Rs. 343.22 lakh at Nashik Project Circle, Rs. 450.66 Lakh at Nashik Civil Circle Rs. 280.97 Lakh at HO.

Equity and Liabilities

Liabilities

Other Non-Current Financial Liabilities (Note: 14.2) :- Rs. 1,605.72 crore

5. This includes Rs.2.70 crore being deposits taken from parties for construction of bays which had been allotted during the year. However, the amount was not adjusted from deposits.

This resulted in overstatement of Other Non-current Financial Liabilities (Other deposits) and overstatement of other non-current assets by Rs.2.70 crore.

Other Non-Current Liabilities (Note 17): Rs. 280.31 crore

6. This does not include Rs.0.87 crore being balance amount due to the contractor for work of capacitor banks at Pune which was completed during the year.

Non provision has resulted in understatement of Other Non-current Liabilities and Non-current Assets by Rs.0.87 crore.

Current Liabilities

Other Current Liabilities (Note 19): Rs.5.86 crore

7. This does not include Rs.13.06 crore being non-assessment and non-recovery of the labour cess for the period July 2010 to March 2018 (Nashik Project Circle).

This resulted in understatement of Other Receivables and Other Current Liabilities by Rs.13.06 crore.

C. Other Comments

Notes to Standalone Financial Statements

8. The company stated in Note no.2.19 that it recognized Expected Credit Loss (ECL) on Trade receivables and other financial assets (Ind AS 109). Further, it stated that the loss allowances on trade receivables are as per the ECL model. However, the company has not followed the ECL model. This fact was disclosed in Note no.33 only in respect of one of its receivables - MSEDCL but not disclosed in respect of the other receivables. The Note no.33 is inadequate to that extent.

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

**Sd/-
(Y. N. Thakare)
PRINCIPAL ACCOUNTANT GENERAL
(Audit)-III**

Place: Mumbai

Date: 21 December 2018

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON ACCOUNTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2018 and MSETCL'S RESPONSE THEREUPON

Sr. No.	CAG's COMMENTS	MSETCL Reply
	<p>The preparation of Financial Statements of Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 are responsible for expressing opinion on the Financial Statements under section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 August 2018.</p>	<p>Factual</p>
	<p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Financial Statements of Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2018 under section 143(6)(a) of the Act. 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.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report.</p>	<p>Factual</p>
<p>A</p> <p>1.</p>	<p>Comments on Profitability Statement of Profit & Loss Revenue Other Income (Note 22): - Rs. 190.25 crores This does not include Rs.2.92 crore being liquidated damages/penalty recovered from a contractor in two sub-stations for time limit extension against scheduled date of completion granted in 2017-18, which has instead been included in Liabilities (Retention money for liquidated damages) This resulted in overstatement of Other Non-Current Liabilities and understatement of Other Income with consequent understatement of profit by Rs.2.92 crore.</p>	<p>The matter is under consideration before management for suitable decision considering implications of GST.</p>
<p>2.</p>	<p>This includes Rs.3.81 crore, being the supervision charges deposited by third parties in three circles for Outright Consumers works for which the works are not taken up/completed. This resulted in overstatement of Other Income and profit and understatement of Other Non-current Liabilities by Rs.3.81 crore.</p>	<p>MSETCL is in the process of revising the policy for booking of supervision charges as Other Income on the basis of work completed during the financial year.</p>

<p>B</p>	<p>Comments on Financial Position Balance Sheet Assets Non-Current Assets Property, Plant and Equipment (Note 4.1): Rs. 16568.26 crores</p> <p>This does not include Rs.10.75 crore being the value of various assets commissioned in 2017-18 but not capitalised.</p> <p>This resulted in understatement of Non-current Assets with consequent overstatement of work in Progress by Rs.10.75 crore. The impact on the depreciation for the year due to understatement of Non Current Assets could not be quantified.</p>	<p>Noted and capitalization will be done in F.Y. 2018-19</p>
<p>3.</p>	<p>This also does not include Rs.0.72 crore being the enhanced compensation payable for land acquisition, which was deposited in the court and encashed by the land owner. The amount, however, continued to be shown as deposit without adjusting for the encashment.</p> <p>This resulted in overstatement of Other Current Assets (Deposit) with corresponding understatement of Non-current Assts (PPE) by Rs.0.72 crore.</p>	<p>Amount of Rs. 71.74 Lakhs transferred to expenses account vide document No. 100118794 /dt. 20/10/2018.</p>
<p>4.</p>	<p>Equity and Liabilities Other Non-current Financial Liabilities (Note No.14.2): Rs.1605.72 crore</p> <p>This includes Rs.2.70 crore being deposits taken from parties for construction of bays which had been allotted during the year. However, the amount was not adjusted from deposits.</p> <p>This resulted in overstatement of Other Non-current Financial Liabilities (Other deposits) and overstatement of other non-current assets by Rs.2.70 crore.</p>	<p>MSETCL is in the process of revising the policy for booking of supervision charges as Other Income on the basis of work completed during the financial year.</p>
<p>5.</p>	<p>Other Non-current Liabilities (Note No.17): Rs.280.31 crore</p> <p>This does not include Rs.0.87 crore being balance amount due to the contractor for work of capacitor banks at Pune which was completed during the year.</p> <p>Non provision has resulted in understatement of Other Non-current Liabilities and Non-current Assets by Rs.0.87 crore.</p>	<p>Work of supply, erection, testing & commissioning capacitor banks at s/stns under EHV O&M Divn. Manchar amounting to Rs. 349.26 Lakhs issued on 03.03.2018 & LOA was issued on 06.06.2017.</p> <p>Work Order Payment made Balance Electrical Supply Rs. 310.01 Ls Rs. 252.75 Ls Rs.57.26 Ls Electrical Erection Rs. 22.24 Ls Rs. 15.10 Ls Rs. 7.14 Ls</p> <p>The capacitor banks were commissioned / charged on 28th March 2018 but minor final works and measurement thereof is pending. As such capitalization will be done on receipt of invoice towards this minor work from the vendor</p>
<p>6.</p>	<p>Current Liabilities Other Current Liabilities (Note No.19): Rs.5.86 crore</p> <p>This does not include Rs.13.06 crore being non-assessment and non-recovery of the labour cess for the period July 2010 to March 2018 (Nashik Project Circle).</p> <p>This resulted in understatement of Other Receivables and Other Current Liabilities by Rs.13.06 crore.</p>	<p>The labour cess is recovered and paid to the concerned authority in time. The balance amount would recovered from the upcoming bills of the Vendors and the payment would be made immediately.</p>
<p>7.</p>		

8.	<p>Other Comments Notes to Standalone Financial Statements</p> <p>The company stated in Note no.2.19 that it recognized Expected Credit Loss (ECL) on Trade receivables and other financial assets (Ind AS 109). Further, it stated that the loss allowances on trade receivables are as per the ECL model. However, the company has not followed the ECL model. This fact was disclosed in Note no.33 only in respect of one of its receivables - MSEDCL but not disclosed in respect of the other receivables. The Note no.33 is inadequate to that extent.</p>	<p>The disclosure will be elaborated suitably considering the observation in the financials of ensuing financial years.</p>
----	---	---

For and on behalf of the Board of Directors

Sd/-
Parrag Jain Nainutia
Chairman & Managing Director

Place: Mumbai
Date: 28.12.2018

**REPLIES TO THE STATUTORY AUDITOR QUALIFICATION ON AUDIT REPORT
FOR THE CONSOLIDATED FINANCIALS YEAR 2017-18**

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
Report on the Audit of the Consolidated Ind AS Financial Statements.		
1.	We have audited the accompanying Consolidated Ind AS Financial Statements of Maharashtra State Electricity Transmission Company Limited ("the Company"), and its two Associates , which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements " or "CFS").	Factual
Management's Responsibility for the Consolidated Ind AS Financial Statements		
2.	The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("hereinafter referred to as the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including other comprehensive income), Consolidated statement of changes in equity and Consolidated cash flows of the Company including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.	Factual
3.	The respective Board of Directors of the Company and its Associate Companies included in the CFS are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Board of Directors of the Company as aforesaid.	Factual
4.	In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the Company and its associates are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its Associates or to cease operations, or has no realistic alternative but to do so.	Factual
Auditors' Responsibility		
5.	Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.	Factual

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
6	We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.	
7	An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.	Factual
8	We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.	Factual
9	We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12(a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a reasonable basis for our audit opinion on the Consolidated Ind AS Financial Statements	Factual
Basis of Modified opinion		
10	The following items in relation to the Company form the basis for our modified opinion:	
10.1	Attention is invited to note no. 43 of Consolidated Ind AS Financial Statements giving details about accumulated Delayed Payment Charges ('DPC') as at March 31, 2018 and recognition of income therefrom of Rs. 85,499 Lakhs (with reference to 3 distribution licensees) in the Previous Year under the head 'Other Income'. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC had reduced the ARR of the Company for F.Y. 2015-16 by the said amount of DPC Rs. 85,499 Lakhs, classifying it as 'Non-Tariff Income'. Data/ details pertaining to the certainty over the realizability of such income are not available with the Company. The accounting of such DPC as 'Other Income' is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in note No. 2.12 states that "Other Income is recognized on accrual basis except when ultimate realization of such income is uncertain". Had the Company not recognized such income of Rs. 85,499 Lakhs in the earlier year, its balance of the retained earnings in the Profit & Loss Account and balance of Trade Receivable Account would have been lesser by the said amount.	The fact has been disclosed in the Financial Statements. STU raises the Monthly Tarrif Charges Bill to Distribution Licencees including the amount of DPC.
10.2	Attention is invited to note no. 46 of Consolidated Ind AS Financial Statements pertaining to shortfall of investing in the securities stated under section 20 of Indian Trusts Act, 1882 as per the MERC regulation to cover Forex losses in the foreign exchange transactions.	MSETCL could not make the necessary investment to cover forex loss as per Regulation due to scarcity of Funds during FY 2017-18. However, the necessary investment has been made in FY 2018-19.

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
10.3	According to the MERC regulations, Contingency Reserve Fund ('CRF') and Special Reserve Fund ('SRF') are to be created and held by the Company supported by equivalent investments in the securities stated under section 20 of Indian Trusts Act, 1882. As at March 31, 2017 against the total of CRF and SRF of Rs. 42,375.00 Lakhs, the earmarked investments are observed to be short by Rs.15,207 Lakhs.	MSETCL could not make the necessary investment in CRF and SRF as per Regulation due to scarcity of Funds during FY 2017-18. However, the necessary investment has been made in FY 2018-19.
10.4	In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipments ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC regulations. As a result, several instances of excess charging of depreciation on assets was observed. Further, in several instances, deprecation is manually worked out and provided at the Head office for assets located in Zone or Region for the reason of mis-matches in dates of capitalization, critical spare items capitalization etc. In absence of complete data/ details of such instances out of numerous line items of PPE, the combined impact of such erroneous depreciation has not been ascertained.	The Company has appropriately done adjustment of deemed cost for PPE as on 01.04.2015. The consideration of net block as deemed cost is done as per guidance note on Ind AS Sch II by ICAI read with Ind AS 101 and appropriate disclosures have been made in the financial statements. The calculation of depreciation as per net block or as per present practice is done. Depreciation amount as per both the methods comes to the same figure. It is only for disclosure purpose in the financial statements. Company cannot change its present fixed assets register and fixed assets schedule in the system. In respect to depreciation for assets whose date of commissioning is prior to April 2017, the same needs to be manually calculated and entered in SAP/ERP System. This is due to late receipt of Work Completion Report (WCR). However, procedures are being devised for the generation of WCR through SAP/ERP itself, which would eliminate the manual depreciation entry in future.
10.5	Based on the scrutiny of available details of free hold land, it was noticed that in past several items of leased land have been clubbed under this head; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/ details of such instances, the impact thereof on Consolidated Ind AS Financial Statements has not been ascertained.	The number of agreements to be reviewed are numerous. Also, amount paid for lease deed are from MSEB period. Hence, it is not material. The objective of Ind AS 101 read with framework for Ind AS specifies that cost of obtaining information should not exceed the benefits. The amount of leasehold land classified as freehold land is not expected to be material and significant may not come on statement of profit and loss of the company and also considering cost benefit analysis.

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
10.6	The policy about inventory valuation of the Company (Note No 2.11) states that inventories are valued at lower of cost or net realizable value ('NRV'). However, as observed in the course of audit, the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Consolidated Ind AS Financial Statements has not been ascertained.	The Core business of MSETCL is construction and maintenance of substation and lines. The inventory procured is of specific nature and is not for sale in the market. Moreover, the uniqueness of the business process of MSETCL makes the derival of NRV difficult. However, MSETCL would initiate a drive to capture data which would help to derive the NRV during the valuation process.
10.7	In course of inquiries made in terms of provisions of Section 143(1)(b) of the Act, the transactions totaling to Rs. 853.74 lakhs pertaining to obtaining of security deposits from the vendor/ contractors in the form of fixed deposits with Banks in the joint name of concerned vendor/ contractors and the company were noticed to be represented by mere book entries; prima facie, such transactions of recording the receipt of deposits as liabilities and fixed deposits with banks as assets did not appear to be prejudicial to the interest of the Company except for inaccurate recording of interest on such Bank fixed deposits and tax deducted by banks thereon.	MSETCL has formulated a Circular wherein the policy of acquiring security deposit from Vendors in the form of Fixed Deposit Receipt (FDR) would be revised. MSETCL has decided to change its contract terms and conditions wherein the FDR would be taken in the name of the Vendor pledged in the name of MSETCL. This would remove the issue of TDS on the interest component of FDR.
10.8	No inventory or data/ details/ description/ageing could be furnished for verification for the "Assets not in use - held for sale" amounting to Rs. 3,503.25 Lakhs; moreover, such assets are held at their carrying value instead of at lower of carrying value or net realizable value. The impact, if any, thereof on Consolidated Ind AS Financial Statements has not been ascertained.	MSETCL has decided to take a drive wherein the physical verification of assets is to be carried out to update the Fixed Asset Register. This activity would also cover the verification/reconciliation of Asset Not in use component. Necessary accounting entry would be passed after completion of the assignment.
10.9	The deposits from Vendors/ contractors/ customers held by the Company as on March 31, 2018 amounted to Rs.22,412 Lakhs are not amortized as required under the mandatory provisions of Ind AS 109 "Financial Instruments". The impact, if any, thereof on Consolidated Ind AS Financial Statements has not been ascertained.	As per the general terms of business, the company collects deposits money from the vendor as security deposit and returns the same only after a certain period of time. The same is retained to ensure performance of the work done under turnkey project, etc. The option is given to the contractor to either deposit money or provide bank guarantee. On the basis of guidance in Ind AS 115, the deposits is obtained to ensure performance of obligations and not financing, hence no discounting considered. In case of security deposits where the option of the Bank guarantee is presented with the vendor, the fair valuation of security deposits may not be required as there is no financing component involved in the transaction.

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
		<p>In case of deposits received which are repayable on demand, no fair valuation is required since we have done similar treatment. There is no time factor which can be considered in arriving the fair value and hence transaction value represent the fair value. You may refer age analysis of deposits which are outstanding since long period of time and are repayable on demand. Since the deposits money is taken only to ensure performance of the work done by the contractor. It cannot be considered as deferred payment and corresponding fair valuation of the deposits may not be required. The same is discussed in joint management meeting for Ind AS implementation and all group companies have done similar treatment.</p>
10.10	<p>The government Grants received by the Company of Rs. 23,850 Lakhs in Financial Year 2006-07 towards capital assets for specific projects out of which Rs. 17,847.58 Lakhs as at March 31, 2018 are deferred for recognition as revenue. The details of these grants tagged with specific assets there against and conditions to be satisfied for the same are not made available for verification. Hence, correctness thereof pertaining to accounting in terms of provisions of Ind AS 20, cannot be commented upon.</p>	<p>The Government Grant is received for the construction of Sub-Station and Lines in the Rural Areas as per the GoM Policy. The Assets wise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not assetwise. MSETCL bifurcated the grant based on the cost of the assets.</p>
10.11	<p>The Company does not collate, maintain and present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.</p>	<p>The fact has been disclosed in the Financial Statements at Note no 37.3</p>
10.12	<p>Satisfactory explanation could not be furnished in course of our audit for substantial reduction to the tune of Rs. 6,109 Lakhs compared to the previous year in the actuarially valued provision made towards Leave encashment despite the fact that number of employees and the rules for leave carry forward and encashment remained substantially same during the year under audit as compared to the previous year.</p>	<p>The provision of leave encashment is done based on the valuation report provided by the Actuary. As per the report the actuarial liability for leave encashment has reduced owing to the retirement of employees with higher pay scales and joining of employees at minimum pay scales,</p>
10.13	<p>Prior period items of Income and expenses have been disclosed by the Company in note No.45 but the amount of the concerned prior period have not been restated / recast as required under Ind AS 8.</p>	<p>The fact has been disclosed in the Financial Statements at Note no 45</p>

Sr. No.	STATUTORY AUDITORS' REPORT			MSETCL's Reply
10.14	The Amount remaining and recognized in the following GL heads/ codes are subject to confirmation and/or reconciliation. The necessary data/details pertaining to following were not made available for verification during the course of audit:			Balance Confirmation from Sundry Debtors and Creditors is under process.
	GL	Name of Account heads	2017-18 Rs. in lakhs Asset/Exp. (Liability/Income)	
	260010	STU Sundry debtors for Trans. Charges	1,47,615.98	
	260040	Sundry Debtors-Others	78,103.89	
	260060	Sundry Debtors-Inter Unit Account	2,126.90	
	131010	Sundry Creditors Payable Domestic (other than SME)	(18,389.69)	
	132010	Sundry Creditors FI Vendor	(6.80)	
	133010	Sundry Creditors-Inter Company	(3,135.19)	
	134010	Sundry Creditors Employees	(14.93)	
	131030	Sundry Crs-Unpaid Market Bond (Principal & Inc)	(4.80)	
	256010	Obsolete materials stock (including scrap)	266.00	
	255020	Loss due to Material pending investigation	200.11	
	230040	AUC Cost of Land Devp.onLeaseholdLand-Volt.F100KV	175.35	
	230050	AUC Cost of Land Dev.onLeaseholdLand-Volt.G132KV	274.64	
	230060	AUC Cost of Land Dev.onLeaseholdLand-Volt.H220KV	1,907.09	
	230070	AUC Cost of Land Dev.onLeaseholdLand-Volt.J400KV	49.17	
	230090	AUC Cost of Land Dev.onLeaseholdLand-Volt.L765KV	1.60	
	232010	AUC OTHER BLDGS-OFFICE, QRTS, TRAINING CENTRE	1,650.45	
	237010	AUC Others	18,050.45	
	237020	AUC LE	86.89	
	237030	AUC ORC	1,826.59	
	290010	Advances to Contractors /Suppliers O&M	1,375.42	
	290020	Capital Advance for Projects	800.07	
	293050	Miscellaneous Loans & Advances	207.27	
	296050	Exp recov from Suppliers	58.24	
	296060	Exp.recov from Contractors	182.76	
	150010	Provision for Capital Works	(12,668.71)	
	123040	Security deposits ofjobs/works	(18,091.96)	
	297020	Other Deposits	6,987.55	
	123100	Other Deposits from Consumers-0. R. C. Deposits	(57,758.45)	
	222010	Assets Not in Use	14,039.54	
	219701	ACC Dep not in use	(10,535.90)	
	123060	Retention money of Vendor	(66,678.98)	
	123110	Retention GL for liquidity charges from vendor	(9,637.69)	
	130020	EMD Dummy entry	(442.11)	
	100050	Grants towards cost of Capital Assets	(17,847.58)	
	130010	GR / IR CLEARING Account	(4,393.24)	
	123030	Security Deposits	(4,322.64)	
	123050	Earnest Money	(1,889.05)	

Sr. No.	STATUTORY AUDITORS' REPORT			MSETCL's Reply
	GL	<u>Name of Account heads</u>	<u>2017-18</u> <u>Rs. In lakhs</u> <u>Asset/Exp.</u> <u>(Liability/Income)</u>	
	123070	Misc.Deposits-Vend	(1,598.78)	
	255010	Material pending investigation	1.11	
	150040	Provision for Expenses-Employees	(3,943.42)	
	121020	Private Bonds Interest accrued but not Due	(1,488.25)	
	150030	Provision for Expenses-Others	(1,715.27)	
	292120	Advance against Gratuity to Staff	(28.02)	
	140060	Misc. Deposits from Employee	(41.16)	
	380040	Other Miscellaneous Receipts (GST taxable)	(1,802.43)	
	380041	Other Miscellaneous Receipts (Non-GST)	(1,024.17)	
	150020	Provision for O&M works	(57.56)	
	The effect of the adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained. Further, in absence of necessary data/ details, the bifurcation of items of assets/ liabilities under 'current' or 'Non-current' head could not be accurately verified.			
<u>Opinion</u>				
11	In our opinion and to the best of our information and according to the explanations given, the deficiencies noted in internal controls pertaining to preparation and presentation of financial statements, coupled with non compliances and audit observations noted in "Basis for modified opinion" paragraph above and read with the notes to the Consolidated Ind AS Financial Statements, the aggregate impact thereof on the said financial statements has not been ascertained/ quantified. As a result, we have not been able to obtain sufficient appropriate audit evidences and ascertain the combined impact of the items noted in "Basis for modified opinion" paragraph above, hence unable to comment thereon; subject to that the Consolidated Ind AS Financial Statements, in our opinion, 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 of the financial position of the Company and its Associates as at March 31, 2018 and its profit (including other comprehensive income), changes in equity and cash flows for the year ended on that date.			Factual
<u>Other Matters</u>				
12	a. The statutory audit for the preceding Standalone Ind-As Financial Statements of the Company's previous year was not carried out by us. The figures, numbers and details pertaining to previous year have been traced from the Standalone Ind AS Financial Statements of the previous year audited by M/s Jain Chowdhary & Co., Chartered Accountants, Mumbai vide their report dated September 27, 2017.			Factual

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
	<p>b.The previous year figures provided in consolidated IndAs financial statements are unaudited and are taken as certified by the management.</p> <p>c.The Consolidated Ind AS Financial Statements also include the Company's share of net profit of Rs. 544.93 Lakhs for the year ended 31 March 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of Two Associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Associates, and our report in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Associates is based solely on the reports of the other auditors.</p>	
<u>Report on Other Legal and Regulatory Requirements</u>		
13	<p>As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements, and the other financial information of Associates, incorporated in India, as noted in the 'Other Matters' paragraph, we report to the extent applicable, that:</p> <p>(a) We have sought and except as noted in para 10 above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.</p> <p>(b) In our opinion, except as noted in para 10 above, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.</p> <p>(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.</p> <p>(d) Except as noted in para 10 above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.</p> <p>(e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors of the Company, and the reports of the statutory auditors of its Associates incorporated in India, none of the Directors of the Company and its Associates companies incorporated in India are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.</p> <p>(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, its Associates incorporated in India and the operating effectiveness of such controls; refer to our separate report in the "Annexure".</p>	<p>Factual</p> <p>Factual</p> <p>Factual</p> <p>Factual</p> <p>Factual</p> <p>Factual</p> <p>Factual</p>

Sr. No.	STATUTORY AUDITORS' REPORT	MSETCL's Reply
	(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate Ind AS financial statements, as also the other financial information of the Associates as noted in the 'Other Matters' paragraph:	Factual
	i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations, other than relating to taxation matters, on its Consolidated financial position of the Company and its Associates. Refer Note 38.	Factual
	ii. Except as stated in para 10 above, the Company and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31 March 2018.	Factual
	iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Associates during the year ended 31 March 2018.	Factual

Annexure to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of Maharashtra State Electricity Transmission Company Limited

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

STATUTORY AUDITORS' REPORT	MSETCL's Reply
<p>In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Maharashtra State Electricity Transmission Company Limited ("hereinafter referred to as "the Company") and its Associates, , incorporated in India, as of that date.</p>	Factual
<p>Management's Responsibility for Internal Financial Controls</p> <p>The respective Board of Directors of the Company, and its Associates, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.</p>	Factual
<p>Auditors' Responsibility</p> <p>Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.</p> <p>Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.</p> <p>We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.</p>	Factual
<p>Meaning of Internal Financial Controls Over Financial Reporting</p> <p>A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company of the Company's assets that could have a material effect on the financial statements.</p>	Factual

STATUTORY AUDITORS' REPORT	MSETCL's Reply
<p>are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.</p>	
<p>Inherent Limitations of Internal Financial Controls Over Financial Reporting Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	Factual
<p>Opinion In our opinion, the Company has an internal financial controls system over financial reporting, design whereof needs to be enhanced to make it comprehensive. Based on selective verification of process controls matrixes, made available to us, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note, the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business. Based on considerations of reporting of the other auditors of Associates as mentioned in the other matter paragraph, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Associates considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.</p>	Factual
<p>Other Matter Our aforesaid reports under section 143(3)(1) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two Associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.</p>	Factual

Annexure-IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of Financial Statements of Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the Financial Statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary Audit of the Consolidated Financial Statements of Maharashtra State Electricity Transmission Company Limited, Mumbai for the year ended 31 March 2018 under section 143(6)(a) read with the section 129(4) of the Act. We conducted a supplementary Audit of the Financial Statements of Maharashtra State Electricity Transmission Company Limited, Mumbai, but did not conduct supplementary audit of the financial statements of Jaigad Power Transmission Limited and Maharashtra Transmission Communication Infrastructure Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

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

Sd/-
(S. K. Japuriyar)
Principal Accountant General
(Audit)-III

Place: Mumbai
Date: December 6, 2018

Annexure-V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
Prakashganga Plot No C-19
E-Block Bandra Kurla Complex
Bandra (East) Mumbai-400051.

I, Ajit Y. Sathe, Proprietor of A. Y. Sathe & Co., Practicing Company Secretary, Mumbai, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED (CIN-U40109MH2005SGC153646)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (not applicable as the Company is Public Unlisted Company);
- (iii) The Depositories Act, 1996 and the Regulations and by - laws framed thereunder; (not applicable as Company's shares are in physical form);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (not applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable as the Company is Unlisted Public Company:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] which is now The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) In respect of other laws specifically applicable to the Company, the below-mentioned other law is specifically applicable to the Company:

Electricity Act, 2003

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**applicable w.e.f. 1st July, 2015 and 1st October, 2017**).
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (**not applicable to the Company during Audit Period, being Public Unlisted Company**).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Under Companies Act, 2013:

The Company has Two Associate Companies namely Jaigad Power Transco Limited and Maharashtra Transmission Communication Infrastructure Ltd., however we did not come across any Board or shareholders' resolution for approval and adoption of consolidated financial statement for the financial year ended 31.03.2017.

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

I further report that –

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

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

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

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

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

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

For A. Y. Sathe & Co.
Company Secretaries

Sd/-
CS Ajit Sathe
Proprietor
FCS No.2899 COP No. 738

Place: Mumbai
Date : 10.12.2018

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

Annexure - I

**To,
The Members,
MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED**
Prakashganga Plot No C-19 E-block,
Bandra Kurla Complex Bandra (East),
Mumbai-400051

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-
CS Ajit Sathe
Proprietor
FCS No.2899 COP No. 738

Place: Mumbai
Date : 10.12.2018

REPLIES TO THE SECRETARIAL AUDITOR REPORT FOR THE YEAR 2017-18	
Auditors Report	MSETCL's Remarks
The Company has Two Associate Companies namely Jaigad Power Transco Limited and Maharashtra Transmission Communication Infrastructure Ltd., however we did not come across any Board or shareholders' resolution for approval and adoption of consolidated financial statement for the financial year ended 31.03.2017.	Factual MSETCL has prepared Consolidated Financial Statements for F.Y. 2017-18 and accounts were adopted by the Board of Directors in their meeting held on 27.08.2018.

For and on behalf of the Board of Directors

Sd/-
Parrag Jain Nainutia
Chairman & Managing Director

Place: Mumbai
Date: 28.12.2018

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

Annexure VI

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Transmission of Power	351-Electric Power Generation, Transmission and Distribution	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name	Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	MSEB Holding Company Limited	MSEB Holding Company Hongkong bank Bldg 3rd & 4th Floor Mahatma Gandhi Road Fort, Mumbai-400001	U40100MH2005SGC153649	Holding	100%	Section 2(46)
2.	Maharashtra Transmission Communication Infrastructure Limited	Prakashganga, Plot No. C-19, "E" Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	U64201MH2012PLC234316	Associate	49%	Section 2(46)
3.	Jaigad PowerTransco Limited	JSW Centre Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	U40102MH2008PLC181433	Associate	26%	Section 2(46)

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the beginning of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) State Govt (s)	N.A.	8984974673	8984974673	99.99	N.A.	8984974673	8984974673	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	N.A.	60	60	0.11	N.A.	60	60	0.11	-
Total shareholding of Promoter (A)	N.A.	8984974673	8984974673	100%	N.A.	8984974733	8984974733	100%	NIL
B. Public Shareholding									
I. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non - Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the beginning of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	N.A	8984974733	8984974733	100%	N.A	8984974733	8984974733	100%	NIL

B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MSEB Holding CO. Ltd.	8984974733	100	-	8984974733	100	-	NIL

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8984974673	99.99	8984974673	99.99
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	No change	No change	No change	No change
	At the end of the year	8984974673	99.99	8984974673	99.99

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

E) Shareholding of Directors and Key Managerial Personnel:

1. Shri Rajeev Mital, Chairman & Managing Director

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year -	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	00	0	0
	At the end of the year	10	Negligible	10	Negligible

2. Shri Arvind Singh, Nominee Director

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	NIL	10	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri Bipin Shrimali ceased to be director w.e.f. 06.02.2017 and shares were transferred to Shri Arvind Singh on 20.04.2017	10	Negligible	10	Negligible
	At the end of the year	10	Negligible	10	Negligible

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri Yempal ceased to be director w.e.f. 25.05.2017 and shares were transferred to Shri G.T. Munde on 20.07.2017	10	Negligible	10	Negligible
	At the end of the year	00	NIL	00	NIL

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	00	0	00
	At the end of the year	10	Negligible	10	Negligible

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	00	0	00
	At the end of the year	10	Negligible	10	Negligible

6. Shri G.T. Munde, Whole-Time Director (Operations) w.e.f. 20.07.2017

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	00	Negligible	00	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri Yempal ceased to be director w.e.f. 25.05.2017 and shares were transferred to Shri G.T. Munde on 20.07.2017	10	00	0	NIL
	At the end of the year	10	Negligible	10	Negligible

7. Ms. Vineeta Shriwani, Company Secretary

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	672954	68867	0	741821
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	8588	0	0	8588
Total (i+ii+iii)	681542	68867	0	750409
Change in Indebtedness during the financial year				
* Addition	73700	274823	0	348523
* Reduction	106433	336702	0	443135
Net Change	-32733	-61879	0	- 94612
Indebtedness at the end of the financial year				
i) Principal Amount	640221	6988	0	647209
) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	7379	0	0	7379
Total (i+ii+iii)	647600	6988	0	654588

Note : Figures includes IndAS adjustment

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

SN	Particulars of Remuneration	Chairman and Managing Director (01.04.2017 to 31.03.2018)	Whole Time Director (01.04.2017 to 31.03.2018)				Total Amount
		Shri Rajeev Kumar Mital	Shri O. K. Yempal till 25.05.2017	Shri. R.D. Chavan	Shri. Vinanyak Sathe	Shri G.T. Munde w.e.f. 20.07.2017	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2103240	2287283	2743030	1613807	1595513	10342873/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	342506	0	0	0	342506/-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0
	-as % of profit	0	0	0	0	0	0
	Others, specify...	0	0	0	0	0	0
5	Others, please specify Reimbursements Book/Orderly/Ent.allow/Prof.P ursuit	38400	37284	159420	159420	106280	500804/-
	Total (A)	2141640	2667073	2902450	1773227	1701793	11186183/-

B. Remuneration to other directors

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors:					
	Fee for attending board and committee meetings- Rs.5000/-per Meeting	Smt. Pushpa Chavan Shri. Vishwas Pathak				100000 110000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					210000
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)					210000
	Total Managerial Remuneration					210000

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
			Ms. Vineeta Shriwani (01.04.2017to 31.03.2018)		
1	Gross salary	NA		NA	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1504872		1504872/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	221851		221851/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0		
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	159420		159420/-
	Total		1886143/-		1886143/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Sd/-
Parrag Jain Nainutia
Chairman & Managing Director

Place: Mumbai
Date: 28.12.2018

Annexure VII

Annual Report on Corporate Social Responsibility

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

The CSR Policy of the Company was approved by the Board of Directors in its 104th meeting held on 03.12.2015. The Policy is available on company's website
https://mahatransco.in/information/details/corporate_social_responsibility

The aims & objectives of this Policy are as under -

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

Funding of CSR activities:

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

The composition of the CSR Committee.

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

Details of CSR Fund for the F.Y. 2017-18:

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

Average Net Profit of the company for last three financial years (Rs. In Crores)	CSR Fund (2% of Average Net Profit) (Rs. In Crores)				CSR Funds Spent during the F.Y. 2017-18 (In Rs.)	Projects in which funds have been spent	Amount unspent, if any	Reason for not spending
	F.Y. 14-15	F.Y. 15-16	F.Y. 16-17	F.Y. 17-18				
(4.65)	33.00	44.52	6.84	0	57,29,976	1. New English School, Hange, Tal Parner, Dist-Ahmednagar for providing 12 personal computers along with one laser printer, one projector & projector screen. (Rs. 5,07,178/-) 2. Janata Vidya Mandir Science & Arts Junior College, Kanhoor Pathar, Tal-Parner, Dist-Ahmednagar for providing 20 personal computers along with 2 laser printer, 3 multimedia projector & 1 projector screen. (Rs. 8,49,134/-) 3. Construction of WBM village road at Kavathe Yemai, Tal-Shirur, Dist-Pune. (Approx. length 600 mtr.) (Rs. 1321,197/-) 4. 12 weeks Non residential certificate course on Electrical Safety and Design Aspects of Electrical Installations for Degree/ Diploma holder unemployed 50 Nos. of Electrical Engineers on pilot basis at Chandrapur RTC vide Government of Maharashtra G.R. No. Sankirna-2016/Ch.No. 124/Urja-5 dtd. 06.04.2016. (Rs. 12,96,000/-) 5. Supply, installation and commissioning of system for integrated technology learning at Railway Men's High School, Ajni, Nagpur. (Rs.17,56,467/-)	Rs. 66,26,05,495	1. Three CSR Projects amounting to Rs.3,21,83,033/- are approved by the Boardor the CSR Committee of MSETCL Their work is in progress and fund will be spent during F.Y.2018-19 2. Process of identifying new CSR Projects is in progress.

Computer class of Janta Vidya Mandir Science & Arts Jr. College, Kanhoor Pathar - Nashik



For and on behalf of the Board of Directors

Sd/-

Parrag Jaiin Nainutia
Chairman & Managing Director

Place: Mumbai
Date: 28.12.2018

INDEPENDENT AUDITORS' REPORT

To:
**The Members of
Maharashtra State Electricity Transmission Company Limited**

1. We have audited the accompanying Standalone Ind AS Financial Statements of **Maharashtra State Electricity Transmission Company Limited** ('the Company'), which comprise of Balance Sheet as at **March 31, 2018**, Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash flow Statement for year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the preparation and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards as specified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of Companies (Indian Accounting Standards Rules), 2015. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Standalone Ind AS Financial Statements, management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors Responsibility

3. Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and Board of Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion on the Standalone Ind AS Financial Statements.

Basis of Modified opinion

6. The following items form the basis for our modified opinion:

- 6.1 Attention is invited to note no. 43 of Standalone Ind AS Financial Statement giving details about accumulated Delayed Payment Charges ('DPC') as at March 31, 2018 and recognition of income therefrom of Rs. 85,499 Lakhs (with reference to 6 distribution licensees) in the Previous Year under the head 'Other Income'. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC had reduced the ARR of the Company for F.Y. 2015-16 by the said amount of DPC Rs. 85,499 Lakhs, classifying it as 'Non-Tariff Income'. Data/ details pertaining to the certainty over the realizability of such income are not available with the Company. The accounting of such DPC as 'Other Income' is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in note No. 2.12 states that "*Other Income is recognized on accrual basis except when ultimate realization of such income is uncertain*". Had the Company not recognized such Income of Rs. 85,499 Lakhs in the *earlier* year, its balance of the retained earnings in the Profit & Loss Account and balance of Trade *Receivable* Account would have been lesser by the said amount.
- 6.2 Attention is invited to note no. 46 of Standalone Ind AS Financial Statement pertaining to shortfall of investing in the securities stated under section 20 of Indian Trusts Act, 1882 as per the MERC regulation to cover Forex losses in the foreign exchange transactions.
- 6.3 According to the MERC regulations, Contingency Reserve Fund ('CRF') and Special Reserve Fund ('SRF') are to be created and held by the Company supported by equivalent investments in the securities stated under section 20 of Indian Trusts Act, 1882. As at March 31, 2017 against the total of CRF and SRF of Rs. 42,375.00 Lakhs, the earmarked investments are observed to be short by Rs.15,207 Lakhs.
- 6.4 In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipments ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC regulations. As a result, several instances of excess charging of depreciation on assets was observed. Further, in several instances, depreciation is manually worked out and provided at the Head office for assets located in Zone or Region for the reason of mis-matches in dates of capitalization, critical spare items capitalization etc. In absence of complete data/ details of such instances out of numerous line items of PPE, the combined impact of such erroneous depreciation has not been ascertained.
- 6.5 Based on the scrutiny of available details of free hold land, it was noticed that in past several items of leased land have been clubbed under this head; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/ details of such instances, the impact thereof on Standalone Ind AS Financial Statements has not been ascertained.
- 6.6 The policy about inventory valuation of the Company (Note No 2.11) states that inventories are valued at lower of cost or net realizable value ('NRV'). However, as observed in the course of audit, the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Standalone Ind AS Financial Statements has not been ascertained.

- 6.7 In course of inquiries made in terms of provisions of Section 143(1)(b) of the Act, the transactions totaling to Rs. 853.74 Lakhs pertaining to obtaining of security deposits from the vendor/ contractors in the form of fixed deposits with Banks in the joint name of concerned vendor/ contractors and the company were noticed to be represented by mere book entries; prima facie, such transactions of recording the receipt of deposits as liabilities and fixed deposits with banks as assets did not appear to be prejudicial to the interest of the Company except for inaccurate recording of interest on such Bank fixed deposits and tax deducted by banks thereon.
- 6.8 No inventory or data/ details/ description/ageing could be furnished for verification for the "Assets not in use - held for sale" amounting to Rs. 3,503.25 Lakhs; moreover, such assets are held at their carrying value instead of at lower of carrying value or net realizable value. The impact, if any, thereof on Standalone Ind AS Financial Statements has not been ascertained.
- 6.9 The deposits from Vendors/ contractors/ customers held by the Company as on March 31, 2018 amounted to Rs.22,412 Lakhs are not amortized as required under the mandatory provisions of Ind AS 109 "Financial Instruments". The impact, if any, thereof on Standalone Ind AS Financial Statements has not been ascertained.
- 6.10 The government Grants received by the Company of Rs. 23,850 Lakhs in Financial Year 2006-07 towards capital assets for specific projects out of which Rs. 17,847.58 Lakhs as at March 31, 2018 are deferred for recognition as revenue. The details of these grants tagged with specific assets there against and conditions to be satisfied for the same are not made available for verification. Hence, correctness thereof pertaining to accounting in terms of provisions of Ind AS 20, cannot be commented upon.
- 6.11 The Company does not collate, maintain and present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.
- 6.12 Satisfactory explanation could not be furnished in course of our audit for substantial reduction to the tune of Rs. 6,109 Lakhs compared to the previous year in the actuarially valued provision made towards Leave encashment despite the fact that number of employees and the rules for leave carry forward and encashment remained substantially same during the year under audit as compared to the previous year.
- 6.13 Prior period items of Income and expenses have been disclosed by the Company in note No.45 but the amount of the concerned prior period have not been restated/ recast as required under Ind AS 8.
- 6.14 The Amount remaining and recognized in the following GL heads/ codes are subject to confirmation and/or reconciliation. The necessary data/ details pertaining to following were not made available for verification during the course of audit:

GL	Name of Account heads	2017-18 Rs. In Lakhs Asset/ Exp. (Liability/ income)
260010	STU Sundry debtors for Trans. Charges	1,47,615.98
260040	Sundry Debtors - Others	78,103.89
260060	Sundry Debtors - Inter Unit Account	2,126.90
131010	Sundry Creditors Payable Domestic (other than SME)	(18,389.69)
132010	Sundry Creditors FI Vendor	(6.80)
133010	Sundry Creditors Inter Company	(3,135.19)
134010	Sundry Creditors Employees	(14.93)
131030	Sundry Crs - Unpaid Market Bond (Principal & Int)	(4.80)

GL	Name of Account heads	2017-18 Rs. In Lakhs Asset/ Exp. (Liability/ income)
256010	Obsolete materials stock (including scrap)	266.00
255020	Loss due to Material pending investigation	200.11
230040	AUC Cost of Land Devp.on Lease hold Land - Volt.F100KV	175.35
230050	AUC Cost of Land Dev. on Lease hold Land - Volt.G132KV	274.64
230060	AUC Cost of Land Dev.on Lease hold Land - Volt.H220KV	1,907.09
230070	AUC Cost of Land Dev.on Lease hold Land - Volt.J400KV	49.17
230090	AUC Cost of Land Dev.on Lease hold Land - Volt.L765KV	1.60
232010	AUC OTHER BLDGS - OFFICE, QRTS, TRAINING CENTRE	1,650.45
237010	AUC Others	18,050.45
237020	AUC LE	86.89
237030	AUC ORC	1,826.59
290010	Advances to Contractors /Suppliers - O&M	1,375.42
290020	Capital Advance for Projects	800.07
293050	Miscellaneous Loans & Advances	207.27
296050	Exp recov from Suppliers	58.24
296060	Exp.recov from Contractors	182.76
150010	Provision for Capital Works	(12,668.71)
123040	Security deposits of jobs/works	(18,091.96)
297020	Other Deposits	6,987.55
123100	Other Deposits from Consumers - O. R. C. Deposits	(57,758.45)
222010	Assets Not in Use	14,039.54
219701	ACC Dep not in use	(10,535.90)
123060	Retention money of Vendor	(66,678.98)
123110	Retention GL for liquidity charges from vendor	(9,637.69)
130020	EMD Dummy entry	(442.11)
100050	Grants towards cost of Capital Assets	(17,847.58)
130010	GR / IR CLEARING Account	(4,393.24)
123030	Security Deposits	(4,322.64)
123050	Earnest Money	(1,889.05)
123070	Misc.Deposits - Vend	(1,598.78)
255010	Material pending investigation	1.11
150040	Provision for Expenses - Employees	(3,943.42)
121020	Private Bonds Interest accrued but not Due	(1,488.25)
150030	Provision for Expenses-Others	(1,715.27)
292120	Advance against Gratuity to Staff	(28.02)
140060	Misc. Deposits from Employee	(41.16)
380040	Other Miscellaneous Receipts (GST taxable)	(1,802.43)
380041	Other Miscellaneous Receipts (Non-GST)	(1,024.17)
150020	Provision for O&M works	(57.56)

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

Opinion

7. In our opinion and to the best of our information and according to the explanations given, the deficiencies noted in internal controls pertaining to preparation and presentation of financial statements, coupled with non-compliances and audit observations noted in "Basis for modified opinion" paragraph above and read with the notes to the stand alone Ind AS financial statements, the aggregate impact thereof on the said financial statements has not been ascertained/ quantified. As a result, we have not been able to obtain sufficient appropriate audit evidences and ascertain the combined impact of the items noted in "Basis for modified opinion" paragraph above, hence unable to comment thereon; subject to that the Stand Alone Ind AS financial statements, in our opinion, 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 of the financial position of the Company as at March 31, 2018 and its profit (including other comprehensive income), changes in equity and cashflows for the year ended on that date.

Other Matters

8. The statutory audit for the preceding financial year was not carried out by us. The figures, numbers and details pertaining to previous year have been traced from the Standalone Ind AS Financial Statements of the previous year audited by M/s Jain Chowdhary & Co., Chartered Accountants, Mumbai vide their report dated September 27, 2017.

Report on Other Legal and Regulatory Requirements

9. As required by the 'Directions and sub directions' issued by office of the Principal Accountant General- III, Maharashtra vide their 'Letter' in terms of Section 143(5) of the Act, we give in the Annexure A- statement on the directions and sub-directions as specified in the 'Letter'.
10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and except as noted in para 6 above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, except as noted in para 6 above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) Except as noted in para 6 above, in our opinion, the Standalone Ind AS Financial Statements comply with the applicable Indian Accounting Standards notified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has a process to assess the impact of pending litigations, other than relating to taxation matters, on its financial position. Refer Note 38
 - ii. Except as stated in para 6 above, the Company has made provisions as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivatives.
 - iii. There were no sums which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Hasmukh B. Dedhia
Partner
Membership No: F-33494

Place: Mumbai
Date: August 27, 2018

"Annexure A" to INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 9 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date)

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

Sr. No.	Directions / Sub directions	Auditor's Comment															
<p>Directions under sub-section (5) of section 143 of the Companies Act, 2013 Our report/findings on directions and sub-direction of CAG should be read in conjunction with our statutory audit report of even date on the Stand Alone Ind AS Financial Statements of the Company for the year ended 31st March, 2018, more particularly paragraph 6 and 7 thereof</p>																	
1	To report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons there of, and the amount involved.	<p>Based on verification of the books of accounts, during the year, the company has provided for/written off the following amounts as doubtful or bad:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Amount (Rs. In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Provision for loss on Inventory pending investigation</td> <td style="text-align: right;">82.77</td> </tr> <tr> <td>Provision for Doubtful Debts</td> <td style="text-align: right;">10,461.77</td> </tr> <tr> <td>Write off of Interest on Income Tax refund receivable</td> <td style="text-align: right;">518.95</td> </tr> <tr> <td>Write off of Receivable from Maharashtra State Electricity</td> <td style="text-align: right;">160.06</td> </tr> <tr> <td>Write off of Inventory found shortage during physical verification</td> <td style="text-align: right;">177.14</td> </tr> </tbody> </table> <p>The above does not include adjustment of trade receivables from MSEDCL of Rs. 21,183.00 Lakhs against the credit balances lying in Inter Unit Account (IUT) of the several parties including MSEDCL.</p>	Particulars	Amount (Rs. In Lakhs)	Provision for loss on Inventory pending investigation	82.77	Provision for Doubtful Debts	10,461.77	Write off of Interest on Income Tax refund receivable	518.95	Write off of Receivable from Maharashtra State Electricity	160.06	Write off of Inventory found shortage during physical verification	177.14			
Particulars	Amount (Rs. In Lakhs)																
Provision for loss on Inventory pending investigation	82.77																
Provision for Doubtful Debts	10,461.77																
Write off of Interest on Income Tax refund receivable	518.95																
Write off of Receivable from Maharashtra State Electricity	160.06																
Write off of Inventory found shortage during physical verification	177.14																
2	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	<p>As per information and explanations given to us, there were no inventories or items of stores/spares lying with third parties during the year under audit.</p> <p>Further, no assets have been received as gift from Government or other agencies by the Company during the year under audit.</p>															
3	A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>Details of the pending litigation/arbitration cases, have been disclosed in Notes to Accounts under the head "Contingent Liability" in Note No. 38 of Standalone Ind AS Financial Statements for the year ended March 31, 2018. The age-wise analysis of these litigation/arbitration cases could not be made available for verification.</p> <p>Legal expenses as and when incurred are accounted for on mercantile basis and are separately shown as "Legal and Professional Fees" under the head 'Other Expenses' in Note No. 26 of Statement of Profit & Loss. The total legal expenses incurred during the year amounted to Rs.511.50 Lakhs (F.Y. 2016-17 Rs 520.17 Lakhs).</p> <p>The legal expenses were observed to have been authorized and accrued as and when incurred in routine manner as in the case of other administrative expenses</p>															
4	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined, including the mode and present stage of disinvestment process.	<p>The company has not been selected for 'Disinvestment' purpose. Hence, the information sought under this clause is Not Applicable.</p>															
<p>Sub-directions under sub-section (5) of section 143 of the Companies Act, 2013</p>																	
(I)	Whether there is appropriate classification of Inventory with value such as Scrap, Obsolete Material etc	<p>Inventory has been classified under different GL Codes as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">GL Codes</th> <th style="text-align: center;">Description of Inventory</th> <th style="text-align: center;">O/s Balance as at March 31, 2018 (Amt. in Lakh)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">250010</td> <td>Steel</td> <td style="text-align: right;">1,184.34</td> </tr> <tr> <td style="text-align: center;">250020</td> <td>Cement</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">250030</td> <td>Transformers</td> <td style="text-align: right;">5,138.97</td> </tr> <tr> <td style="text-align: center;">250040</td> <td>Metering Equipment & substation Equipment</td> <td style="text-align: right;">4,723.91</td> </tr> </tbody> </table>	GL Codes	Description of Inventory	O/s Balance as at March 31, 2018 (Amt. in Lakh)	250010	Steel	1,184.34	250020	Cement	-	250030	Transformers	5,138.97	250040	Metering Equipment & substation Equipment	4,723.91
GL Codes	Description of Inventory	O/s Balance as at March 31, 2018 (Amt. in Lakh)															
250010	Steel	1,184.34															
250020	Cement	-															
250030	Transformers	5,138.97															
250040	Metering Equipment & substation Equipment	4,723.91															

GL Codes	Description of Inventory	O/s Balance as at March 31, 2018 (Amt. in Lakh)
250050	Cables & Conductors	6,994.78
250060	Poles	-
250070	Service Connection Material & Electrical Fittings	-
250080	Spares	992.16
280090	Others	2214.56
255010	Material Pending Investigation	1.11
255020	Loss due to Material pending investigation	200.11
255030	Spl GL stores Inventory Diff	-
255040	MASA Stock rectification	(114.44)
256010	Obsolete Material Stock (including scrap)	266.00
256020	Damaged/ Rejected Material	-

As regards carrying value of the items of inventories, please refer statutory audit report of even date on the Stand Alone Ind AS Financial Statements of the Company, particularly para 6.6 and 6.14.

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

Negative balances under "Advance to Contractor" has been observed and list of such vendor code along with its balance as on March 31, 2018 is enclosed herewith in Appendix-I.
As regards its impact on financial statement we are unable to comment. Please refer 'Basis of Modified opinion' under para 6.14. statutory audit report of even date on the Stand Alone Ind AS Financial Statements of the Company

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

Yes, except impact, if any, arises out of matters stated under para 6 of statutory audit report of even date on the Stand Alone Ind AS Financial Statements.

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

We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the transmission network of the company is given in the table below:

Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
765 KV	1	3,000.00	-
500KV HVDC	2	3,582.00	1,504.000
400KV	31	30,045.00	8,415.500
220KV	223	53,185.00	17,788.430
132KV	322	28,779.50	15,454.410
110KV	36	2,330.00	1,759.370
100KV	38	2,798.00	701.400
66KV	7	127.00	594.800
Total	660	1,23,846.50	46,217.91

As further informed by the management of the Company, present transmission system availability and losses as against MERC benchmark are narrated as under:

HVAC System (MERC Benchmark 98%)		
Year	2016-17	2017-18
Avail	99.63%	99.61%
HVDC System (MERC Benchmark 95%)		
Year	2016-17	2017-18
Avail	97.00%	96.41%

<p>(V) How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of Accounts.?</p>	<p>We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the information in this regard is furnished as under.</p> <p>The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the F.Y. 2017-18 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:</p> <table border="1" data-bbox="505 405 1469 913"> <thead> <tr> <th>Intra State Transmission System (In. STS) Grid Loss for F.Y. 17-18</th> <th>Energy Input Intra STS</th> <th>Energy Output Intra STS</th> <th>Transmission Loss</th> </tr> <tr> <th>Month</th> <th>(In Million Units)</th> <th>(In Million Units)</th> <th>(In % age)</th> </tr> </thead> <tbody> <tr><td>Apr-17</td><td>14,032</td><td>13,522</td><td>3.64%</td></tr> <tr><td>May-17</td><td>14,061</td><td>13,569</td><td>3.50%</td></tr> <tr><td>Jun-17</td><td>11,743</td><td>11,348</td><td>3.36%</td></tr> <tr><td>Jul-17</td><td>11,732</td><td>11,368</td><td>3.10%</td></tr> <tr><td>Aug-17</td><td>12,117</td><td>11,708</td><td>3.38%</td></tr> <tr><td>Sep-17</td><td>11,302</td><td>10,927</td><td>3.32%</td></tr> <tr><td>Oct-17</td><td>11,821</td><td>11,404</td><td>3.53%</td></tr> <tr><td>Nov-17</td><td>12,536</td><td>12,157</td><td>3.02%</td></tr> <tr><td>Dec-17</td><td>12,500</td><td>12,143</td><td>2.85%</td></tr> <tr><td>Jan-18</td><td>12,678</td><td>12,271</td><td>3.21%</td></tr> <tr><td>Feb-18</td><td>11,790</td><td>11,411</td><td>3.21%</td></tr> <tr><td>Mar-18</td><td>14,021</td><td>13,555</td><td>3.32%</td></tr> <tr><td>Total</td><td>1,50,334</td><td>1,45,385</td><td>3.29%</td></tr> </tbody> </table> <p>From perusal of the table above, it is evident that Transmission Loss incurred by MSETCL was 3.29% which is below the MERC's bench mark. The said loss in accounting parlance is to be termed as "Normal Loss" not requiring any separate accounting in the books of accounts.</p>	Intra State Transmission System (In. STS) Grid Loss for F.Y. 17-18	Energy Input Intra STS	Energy Output Intra STS	Transmission Loss	Month	(In Million Units)	(In Million Units)	(In % age)	Apr-17	14,032	13,522	3.64%	May-17	14,061	13,569	3.50%	Jun-17	11,743	11,348	3.36%	Jul-17	11,732	11,368	3.10%	Aug-17	12,117	11,708	3.38%	Sep-17	11,302	10,927	3.32%	Oct-17	11,821	11,404	3.53%	Nov-17	12,536	12,157	3.02%	Dec-17	12,500	12,143	2.85%	Jan-18	12,678	12,271	3.21%	Feb-18	11,790	11,411	3.21%	Mar-18	14,021	13,555	3.32%	Total	1,50,334	1,45,385	3.29%
Intra State Transmission System (In. STS) Grid Loss for F.Y. 17-18	Energy Input Intra STS	Energy Output Intra STS	Transmission Loss																																																										
Month	(In Million Units)	(In Million Units)	(In % age)																																																										
Apr-17	14,032	13,522	3.64%																																																										
May-17	14,061	13,569	3.50%																																																										
Jun-17	11,743	11,348	3.36%																																																										
Jul-17	11,732	11,368	3.10%																																																										
Aug-17	12,117	11,708	3.38%																																																										
Sep-17	11,302	10,927	3.32%																																																										
Oct-17	11,821	11,404	3.53%																																																										
Nov-17	12,536	12,157	3.02%																																																										
Dec-17	12,500	12,143	2.85%																																																										
Jan-18	12,678	12,271	3.21%																																																										
Feb-18	11,790	11,411	3.21%																																																										
Mar-18	14,021	13,555	3.32%																																																										
Total	1,50,334	1,45,385	3.29%																																																										
<p>(VI) Whether the assets have been constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the books of Accounts.</p>	<p>Based on the information, explanation and representations received from the management of the Company, the details in this regard are as under:</p> <p>As informed to us in course of our audit, the Company has divided its field operations amongst seven different zones in the state of Maharashtra. The major activity of the company is 'transmission of power'. Company also undertakes construction of small sub-stations, towers, plants etc., for the supply of power to other agencies on 'order specific basis'. Such works identified in the company as 'ORC works'. The company charges 'Supervision Fees' over and above the expenditure incurred for executing such "ORC Work" which gets recognized company's revenue.</p> <p>The details of ORC works across its different zones, as provided by the management, are given in the table below:</p> <table border="1" data-bbox="505 1297 1463 1602"> <thead> <tr> <th>Sr. No.</th> <th>Zones</th> <th>ORC works as at added 01.04.17</th> <th>ORC works added during the year</th> <th>ORC works completed during the year</th> <th>Balance ORC works remaining as at 31.03.18</th> </tr> </thead> <tbody> <tr><td>1</td><td>Amravati</td><td>1</td><td>6</td><td>-</td><td>7</td></tr> <tr><td>2</td><td>Aurangabad</td><td>14</td><td>3</td><td>9</td><td>8</td></tr> <tr><td>3</td><td>Karad</td><td>7</td><td>-</td><td>6</td><td>1</td></tr> <tr><td>4</td><td>Nagpur</td><td>37</td><td>1</td><td>2</td><td>36</td></tr> <tr><td>5</td><td>Nasik</td><td>11</td><td>12</td><td>-</td><td>23</td></tr> <tr><td>6</td><td>Pune</td><td>75</td><td>19</td><td>13</td><td>81</td></tr> <tr><td>7</td><td>Vashi</td><td>41</td><td>22</td><td>5</td><td>58</td></tr> <tr><td colspan="2">Total</td><td>186</td><td>63</td><td>35</td><td>214</td></tr> </tbody> </table> <p>In course of execution of the ORC works, deposits are taken from parties for whom the company performs/ executes such ORC works. Such ORC deposits are accounted for under GL Code 123100 which has an outstanding balance of Rs. 57,758.45 Lakhs (Previous Year Rs. 27,071.95 Lakhs as at 31/03/17). It was observed that old unreconciled balances are appearing in the said ledger for which details were readily not available with the respective profit centre within said seven zones of the Company.</p> <p>However, it is to be noted that the ultimate ownership of such assets is with the Company only. The Assets are not handed over to the Other Agencies. The deposits collected from them is adjusted against the Assets constructed and a nominal value of Rs 1 is kept in the Asset Master for identification.</p> <p>Company also executes projects for evacuation of power in case of generation of energy from non-conventional sources. As per accounting policy 2.16(B), 50% of the cost of such power evacuation project is borne by Company and balance 50% is to be reimbursed by Maharashtra Energy Development Agency (MEDA) to the respective private developer. In such cases also, there is no hand over of the assets to the other agencies.</p>	Sr. No.	Zones	ORC works as at added 01.04.17	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.18	1	Amravati	1	6	-	7	2	Aurangabad	14	3	9	8	3	Karad	7	-	6	1	4	Nagpur	37	1	2	36	5	Nasik	11	12	-	23	6	Pune	75	19	13	81	7	Vashi	41	22	5	58	Total		186	63	35	214						
Sr. No.	Zones	ORC works as at added 01.04.17	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.18																																																								
1	Amravati	1	6	-	7																																																								
2	Aurangabad	14	3	9	8																																																								
3	Karad	7	-	6	1																																																								
4	Nagpur	37	1	2	36																																																								
5	Nasik	11	12	-	23																																																								
6	Pune	75	19	13	81																																																								
7	Vashi	41	22	5	58																																																								
Total		186	63	35	214																																																								

		<p>Execution of MEDA project is done by two ways. (i) wherein the vendor gives the entire amount beforehand for execution of the project to the Company as ORC deposit and the Company after the execution of project reimburses 50% to the vendor and creates the asset of the same value and the remaining 50% is paid by MEDA to the vendor. (ii) wherein the vendor itself executes the project and the Company subsequently pays 50% of the cost of project to the vendor and MEDA reimburses the remaining 50% to vendor.</p> <p>The amount payable by Company to the vendor/ private developer is accounted for under GL code 131010. It has been observed that both such GL codes (123100 & 131010) remain unreconciled as at the year end. Complete details of such projects falling under MEDA grant are not readily available with the Company. As a result, whether Asset Capitalization of such MEDA projects is accurate or not cannot be commented upon.</p>
(VII)	Items contained in the inspection report of CAG in previous year and remaining open till the date of Balance Sheet under report	Please refer Appendix II to this report for the list of such items.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Hasmukh B. Dedhia
Partner
Membership No: F-33494

Place - Mumbai
Date : August 27, 2018

Appendix - I :- Vendor Code having negative balance

Vendor Code	Balance as at March 31, 2018 (Amount Rs. in Lakhs)	Vendor Code	Balance as at March 31, 2018 (Amount Rs. in Lakhs)	Vendor Code	Balance as at March 31, 2018 (Amount Rs. in Lakhs)
4000000010	(449.45)	4000000441	(3.39)	4000000296	(72.08)
4000000011	(307.82)	4000000442	(3.52)	4000000330	(8.64)
4000000014	(6.11)	4000000476	(24.96)	4000000351	(2.09)
4000000043	(95.40)	4000000730	(0.04)	4000000354	(3.69)
4000000052	(51.18)	4000000799	(0.23)	4000000359	(32.59)
4000000064	(2,518.08)	4000000875	(97.66)	4000000361	(0.20)
4000000066	(238.46)	4000000893	(71.58)	4000000377	(0.06)
4000000086	(26.85)	4000000916	(5.74)	4000000400	(71.46)
4000000093	(241.14)	4000000922	(18.49)	4000000403	(17.70)
4000000111	(24.96)	4000000928	(0.70)	4000000415	(38.82)
4000000115	(128.24)	4000000934	(23.49)	4000000419	(1,120.49)
4000000117	(11.26)	4000000938	(57.99)	4000000421	(42.90)
4000000119	(0.61)	4000000969	(3.06)	4000000424	(149.41)
4000000133	(218.10)	4000001006	(0.22)	4000000425	(179.78)
4000000140	(46.20)	4000001023	(2.62)	4000002812	(0.25)
4000000152	(22.71)	4000001031	(2.40)	4000003173	(0.01)
4000000154	(5.33)	4000001033	(0.01)	4000003697	(17.01)
4000000164	(0.42)	4000001067	(114.77)	4000004138	(1.00)
4000000165	(4.33)	4000001072	(0.53)	4000004972	(0.58)
4000000171	(99.84)	4000001301	(0.01)	4000005328	(0.87)
4000000175	(14.44)	4000001338	(0.25)	4000005377	(0.25)
4000000216	(67.14)	4000001552	(5.44)	4000006164	(3.97)
4000000217	(40.30)	4000002558	(0.25)	4000006894	(0.05)
4000000228	(9.50)	4000002708	(0.05)	4000007463	(0.42)
4000000276	(226.92)	4000002720	(0.37)	4000008012	(0.19)
4000000277	(4.49)	4000002725	(0.67)	4000009661	(0.08)
4000012375	(14.88)				

Appendix - I I : - Items contained in the inspection report of CAG in previous year and remaining open:

Sr. No.	CAG's COMMENTS	MSETCL's REPLY	Status as at end of FY 2017-18 and Auditor's Remarks
A. Comment on Profitability			
Ind AS Compliant Statement of Profit & Loss			
Revenue from Operation (Note 22):- Rs. 2162.05 crores.			
1	This does not include Bay maintenance charges of Rs181.64 Lakhs up to March 2017 receivable from M/s Power Grid Corporation India Limited (PGCIL) and M/s. Maharashtra Eastern Grid Power Transmission Company Ltd (MEGPTCL). This has resulted in understatement of Revenue from operations by Rs 181.64 Lakhs and subsequent under statement of Trade Receivables and overstatement of loss for the year to that extent.	As per para 20 & 23 of IND AS 18 w.r.t.Revenue, Revenue is recognized only when all the conditions as stated under para 20 are met. The 1st condition of IND AS 18 para 20 is that revenue is to be recognized only when the amount of revenue can be measured reliably; Further as per para 23 of IND AS 18, it is stated that 'reliable' estimates w.r.t. revenue can only be made if both the parties involved in the transaction have agreed to the terms & conditions of the transaction. In other words, both parties have entered into an MOU. It is pertinent to note that the MOU between PGCIL and MSETCL for all the 6 bays to be maintained under EHV C&M Circle Aurangabad was entered during May 2017 & July 2017. Therefore, the bay maintenance charges can only be rightly considered as revenue in F.Y. 2017-18. Hence, the necessary entries for booking the revenue has been accounted in FY 2017-18. In the case of Rs. 89.14Lakhs related to Maharashtra Eastern Grid Power Transmission Company Ltd, we are in agreement with fact that principally the same should have been booked on accrual basis for the F.Y.2016-17.	Bay maintenance charges of Rs 92.50 Lakhs up to March 2017 receivable has not been accounted in FY 2017-18.
2 Income - Other Income (Note 23): - Rs. 1033.31 crores.			
2 (a)	This does not include interest of Rs 54.19 Lakhs on outstanding mobilisation advance pending recovery from M/s G.K Power and M/s Rounak Industries .This has resulted in understatement of Other Income and Trade Receivable with overstatement of Loss for the year to the extent of Rs. 54.19Lakhs.	The said issue will be examined by Competent Authority and necessary provision, if required there after will be made in F Y 2 0 1 7 - 1 8 and recovery of the said Interest amount, if levied will be made from the relevant parties.	The competent authority's views not yet obtained; Interest of Rs. 54.19 Lakhs has not been accounted in FY 2017-18
2 (b)	This is understated by Rs135.00 Lakhs due to non-adjustment of the penalty and interest from the retention money of the contractor resulting in under statement of Other Income, Overstatement of Non-Current Liabilities and Loss for the year to the extent.	The time limit extension for the related Nagpur CCM Circle was granted in F.Y. 2016-17 itself and the amount of Rs. 135 Lakhs on account of Penalty was recoverable from the contractor in F.Y. 2016-17. However, the said amount of Penalty was not recovered during the contractor in F.Y. 2016-17.The company assures to adjust the same from the retention of the contractor and account for the same in F.Y. 2017-18.	Rs. 135 Lakhs does not appear to have been accounted in FY 2017-18
B. Comments on Financial Position			
Balance Sheet			
Assets			
3	Property, Plant and Equipment (Note 4.1): Rs.16,222.78 crores		
3 (a)	This includes Rs.43.52 lakh being the excess price variation paid on mobilisation advance to various contractors. The price variation is allowed on the basic price of supply, erection and civil works and should not have been	Out of this recovery Rs. 18.00 Lakhs pertain to M/s KPTL, which is being recovered from ensuing bill to be submitted by M/s KPTL. Remaining amount of Rs.25.52 Lakhs pertains to M/s ECI Shanghai. There are no future claims expected from M/s ECI so option of encashment of BG is being explored. However, the matter is sub-judiced. The decision will be taken subject to final decision of the Court.	No Recovery of excess price variation paid on mobilization advance of Rs. 43.52 Lakhs from either of the parties. The matter is informed to be still sub-judiced

Sr. No.	CAG's COMMENTS	MSETCL's REPLY	Status as at end of FY 2017-18 and Auditor's Remarks
	granted on mobilisation advance. This has resulted in overstatement of Property, Plants and Equipments and understatement of Other receivables to the extent of Rs 43.52 lakh.		
4 Capital Work- in - progress (Note 4.2): Rs. 2,68,633.64 Lakhs.			
4 (a)	This includes Rs. 217.00 Lakhs incurred by the Company towards the security charges at work site which was recoverable from the Contractors. This has resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables to the extent of Rs.217.00 Lakhs.	MSETCL had awarded the work of 220KV Nandgaon Peth S/Stn and 220KV Anjangaon S/Stn along with its associated lines in Amravati District and 220 KV Malegaon S/St and 132 KV Jalgaon Jamod S/Stn along with their associated lines in Buldhana District to M/s ECI - Shanghai JV. However, due to non-performance of M/s ECI-Shanghai JV, MSETCL had terminated their EPC contract vide letter MSETCL/ED(P)/EPC/6243 dated 08/05/12. In order to safeguard the materials and assets w.r.t. the above mentioned projects lying at the above mentioned sites and to avoid the possibility of theft, the competent authority decided to provide MSETCL's security at those sites. Thus, the expenditure so incurred on providing services of security guards during the period 2011-12 to March 2017 was accounted for under Capital Work in Progress. Which will be treated as receivable and reduced will be accounted for in the F.Y. 2017-18. MSETCL, in turn has awarded the contract on risk and cost basis' to other contractors for completion of above mentioned schemes of M/s ECI Shanghai. The company will certainly initiate recovery of such excess charges incurred from the erring contractor i.e. M/s ECI Shanghai. There are no future claims expected from M/s ECI, so option of encashment of BG is being explored. However, the matter is subjudised. The decision will be taken subject to final decision of the Court.	Status quo remains. The matter is informed to be still sub-judised
4 (b)	This also includes Rs 159.42 lakh being ineligible price variation paid to the contractors on the tax element included in the price of the materials which resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables by Rs 159.42 lakh.	The partial amount has been recovered in FY 2017-18 & only remaining recovery of Rs. 39 Lakhs is in progress.	Rs 39 Lakhs pending to be recovered
Equity and Liabilities			
Other Equity (Note no 13) Rs 1095.88 crores			
5 Reserves and Surplus: Rs 380.98 crores			
	This includes Rs 449.00 lakh being the cost of ORC works treated as Income during 2014-15. The Company assured to make necessary adjustment during 2016-17. The non-compliance of the assurance resulted in continuance of the overstatement of Reserves and Surplus and Fixed Assets to the extent of Rs 449.00 lakh with consequent effect on the depreciation and loss for the year.	Statutory Auditor's vide their Audit Report para IV 2(xiv) have qualified the said account related to ORC deposits as unreconciled. The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	ORC deposit has not been reconciled in the FY 2017-18

Sr. No.	CAG's COMMENTS	MSETCL's REPLY	Status as at end of FY 2017-18 and Auditor's Remarks
6	Other Non-Current Financial Liabilities (Note: 14.2) :- Rs. 1,467.89 crore		
6 (a)	<p>This includes Rs.2790.00 lakh deposited by M/s M E G P T C L towards capital works which have already been completed As per the practise being followed by the Company, such deposits are adjusted against the cost of assets. Non adjustment of deposits for completed capital works resulted in overstatement of Other Non current liabilities with corresponding overstatement of Fixed Assets to the extent of Rs 2790.00 lakh.</p>	<p>In the above context, it is to submit that M/S MEGPTCL has deposited Rs. 2790 Lakhs (excluding supervision charges) towards MSETCL for construction of 2X765kV End bays at 765kV Ektuni s/s for 765kV Akola - Aurangabad line Ckt-I & II. Cost estimate of 2X765kV End bays consist of electrical part & civil part of works required for construction of bays. 2X765kV End bays were commissioned on 27.05.2016. Amount incurred for construction of 765kV End bays was capitalized in SAP system and deposit of Rs. 2790 Lakhs (excluding supervision charges) is being adjusted against the asset in FY 2017-18 excluding the taxes. Actual cost for civil part of works & electrical part of works is derived on prorata basis for some of the items as common facilities for total substation works. Civil expenses details are under scrutiny and will be clubbed with electrical works expenses to submit revised demand note to M/S MEGPTCL It is hereby submitted that the amount of Rs.2790 Lakhs (excluding supervision charges) will be settled in year 2017-18 from the ORC deposits head with reference to the work completion at site & appropriate entry will be passed in SAP.It is further stated that Statutory Auditors in their Audit Report relating to F.Y. 2016-17, vide para IV-2(xiv) had duly qualified that Account GLCode 123100 - ORC Deposit are unreconciled.</p>	<p>ORC deposit has not been reconciled in the FY 2017-18. As informed, work against which the deposit was taken has been completed but same is yet to be adjusted in books pending scrutiny of details of civil work</p>
6 (b)	<p>This includes Rs. 400.00 lakh being deposit for construction of bays under ORC works against which the existing bays were allotted to the parties. As such, the deposits of Rs 400 lakh should have been set off by transferring the same to Other Income. This has resulted in understatement of Other Income and Overstatement of Non-current liabilities and loss to the extent of Rs 400.00 lakhs.</p>	<p>In order to execute ORC works, deposits are taken from the parties for whom company performs/executes such ORC works. Aurangabad EHV O&M Circle has executed 7 ORC works with Rs 221 Lakhs including supervision charges and Nagpur O&M Circle had completed 8 ORC works worth Rs.237.00 Lakhs. Work Completion Report (WCR) against all the ORC works executed were received in the month of November 2017. Necessary accounting entry will be passed in FY 2017-18 as per the assets identified in Fixed Asset Register in accordance with the guidelines issued in context to Ind AS Policy.</p>	<p>Rs. 400 lakh has not been accounted as "Other Income" in the FY 2017-18</p>
6 (c)	<p>In response to the Audit Comments for the year 2015-16, the Company assured to adjust the deposits pertaining to the completed ORC works amounting to Rs 9,026.00 lakh during 2016-17 against Fixed Assets. The non-compliance of the assurance resulted in continuance of overstatement of Non current Liabilities and Fixed Assets to the extent of Rs. 9,026.00 lakh with consequent effect on the depreciation and the Loss for the year.</p>	<p>Statutory Auditor's vide their Audit Report para IV 2(xiv) have qualified the said account related to ORC deposits as unreconciled. The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.</p>	<p>ORC deposits have not been reconciled in the FY 2017-18</p>

**Annexure B to the Independent Auditors' Report
(Referred to in paragraph 10 under the heading "Report on Other Legal and Regulatory Requirements"
of our report of even date)**

- i) a) The Company followed the practice of maintaining their Fixed Assets (other than intangible assets) details in 'AR01' register. Details of Intangible Assets are maintained by the Company in an Electronic Spreadsheet. The value of such aggregate fixed assets has been now entered in SAP system. Accordingly, the amount of total fixed assets as per SAP and AR01 register/ electronic spreadsheet is reconciled. However, the complete quantitative details and situation of fixed assets is not available either in SAP or in AR01 register/ electronic spreadsheet;
- b) The management has not undertaken physical verification of the Company's fixed assets during the year. In the absence of such record and verification, we are unable to state whether there are any material discrepancies.
- c) The records relating to immovable properties as reflected in the Standalone Ind AS Financial Statements (i.e. Land Title, Lease Deed, 7/12 extract etc.) are not maintained properly or updated and the same are not reconciled with the Standalone Ind AS Financial Statements as at March 31, 2018. In absence of complete records, we are unable to state whether all such immovable properties are in the name of the Company.
- ii) a) The Company had planned an annual stock verification program for the F.Y. 2017-18. The inspection/ valuation of stocks lying with Company was 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.
- iii. According to the information and explanation given, the Company has not granted any loans to companies, firms, LLPs or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Hence reporting under the clause (III) - (a) to (c) of The Order is not applicable to the Company.
- iv In our opinion and according to the information and explanation given, the Company has complied with the provision of section 185 and section 186 of the Act.
- v. In our opinion and according to the information and explanations given, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
 - a) According to the information and explanations given and on the basis of our examination of books and records of the Company, in respect of amounts deducted/ accrued in the books of account, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods & Service tax, Service Tax, Value Added Tax, Cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. As informed, the duty of Customs and duty of Excise is not applicable to the Company during the year under report. There are no undisputed statutory dues payable in respect to above statues, outstanding as at March 31, 2018 for a period of more than six months from the date they became payable, except following.

Sr.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Date of Subsequent Payment
1	Goods and Services Tax (GST)	GST under RCM on Director Sitting Fees	0.28	FY 2017-18	19th July, 2018
2	Sales Tax	Sales Tax liability for previous years	0.59	Un reconciled Amount	19th July, 2018
3	Finance Act (Service Tax)	Interest on Service Tax for previous year on the supervision charges collected from ORC vendors (Provided on the basis of CAG Para. Service Tax liability already paid)	267.34	FY 2014-15	Yet not Paid

- b) According to information and explanations given and on the basis of our examination of the books and records of the Company, there is no disputed Income tax, Sales-tax, Service Tax, Goods & Service Tax and Value Added Tax as on March 31, 2018 which have not been deposited except the following disputed dues which have not been deposited since the matters are pending with the relevant forum:

Name of Statute	Nature of the Dues	Period (A.Y) to which the amount relates	Forum where matter is pending	Amount(Rs.In Lakhs)
Income Tax Act, 1961	Fringe Benefit tax	2006-07	The Assistant Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	17.58
Income Tax Act, 1961	Fringe Benefit tax	2007-08	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	73.32
Income Tax Act, 1961	Fringe Benefit tax	2008-09	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	24.45
Income Tax Act, 1961	Fringe Benefit tax	2009-10	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	25.75
Income Tax Act, 1961	Income Tax	2008-09	The Income-tax Appellate Tribunal (Departmental Appeal)	328.41
Income Tax Act, 1961	Income Tax	2009-10	The Commissioner of Income-tax(Appeals) - 22 - Mumbai	19,000.83
Income Tax Act, 1961	Income Tax	2010-11	The Income-tax Appellate Tribunal	3,519.00
Income Tax Act, 1961	Income Tax	2010-11	Commissioner of Income-tax(Appeals) - 22 - Mumbai	310.35
Income Tax Act, 1961	Income Tax	2011-12	Commissioner of Income-tax(Appeals) - 22 - Mumbai	1,853.10
Income Tax Act, 1961	Income Tax	2012-13	The Assistant Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	311.05
Income Tax Act, 1961	Income Tax	2012-13	The Commissioner of Income-tax(Appeals) - 22 - Mumbai	9.71
Income Tax Act, 1961	Income Tax	2013-14	The Commissioner of Income-tax(Appeals) - 22 - Mumbai	936.87
Income Tax Act, 1961	Income Tax	2014-15	The Commissioner of Income-tax(Appeals) - 22 - Mumbai	17,524.47

- viii. Based on our audit procedures and as per the information and explanations, the Company has not defaulted in repayment of loans or borrowings to banks, financial institutions or government during the year. The Company has not issued any debentures.
- ix. During the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given, the term loans have been prima facie applied by the Company during the year for the purpose for which it was obtained.
- x. During the course of our examination of the books of account and records of the Company and according to information and explanation given, we have neither noticed nor have been informed by the management, any incident of fraud by the Company or on the Company by its officers or employees.
- xi. As informed, the provisions of Section 197 are not applicable to the company, being Government Company, as per the notification of MCA dated 5th June, 2015.
- xii. The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

- xiii. In our opinion and according to the information and explanations given, the Company is in compliance with the applicable provisions of Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Hasmukh B. Dedhia
Partner
Membership No: F-33494

Place : Mumbai
Date : August 27, 2018

Annexure C to the Independent Auditors' Report [Referred to in pars 11 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

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

We have audited the internal financial controls over financial reporting of **Maharashtra State Electricity Transmission Company Limited** ("the Company") as at **March 31, 2018** in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has an internal financial controls system over financial reporting, design whereof needs to be enhanced to make it comprehensive. Based on selective verification of process controls matrixes, made available to us, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note, the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No. 105146W

Sd/-

Hasmukh B. Dedhia

Partner

Membership No: F-33494

Place : Mumbai

Date : August 27, 2018

STANDALONE FINANCIAL STATEMENTS

Maharashtra State Electricity Transmission Company Limited
Standalone Balance Sheet as at 31st March 2018

(Rs. in Lakhs)

Sr. No.	Particulars	Note No	As at 31.03.2018	As at 31.03.2017
I	ASSETS			
(1)	Non-current Assets			
	(a) Property, Plant and Equipment	4.1	16,56,826.29	16,22,277.73
	(b) Capital work-in-progress	4.2	2,26,432.10	2,68,633.64
	(c) Other Intangible Assets	4.3	149.77	180.90
	(d) investments in Subsidiaries, associates and joint ventures	5	4,712.19	4,097.37
	(e) Financial Assets			
	(i) Investments	6.1	55,831.04	41,209.43
	(ii) Loans	6.2	9,496.84	23,644.86
	(f) Income Tax Assets (net)	7	38,630.29	41,651.00
	(g) Other Non-Current Assets	8	885.62	2,726.42
(2)	Current assets			
	(a) Inventories	9	21,134.29	23,443.99
	(b) Financial Assets			
	(i) Investments	10.1	6,628.35	6,896.69
	(ii) Trade Receivables	10.2	2,25,796.16	2,65,296.67
	(iii) Cash and Bank balance	10.3	9,202.08	6,359.98
	(iv) Loans	10.4	210.45	705.74
	(v) Other Current Financial Assets	10.5	2,303.28	2,835.55
	(c) Other Current Assets	11	2,376.26	4,186.47
	(d) Assets Classified as Held for Sale		3,503.25	3,810.83
	TOTAL ASSETS		22,64,118.25	23,17,957.27
II	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share capital	12	8,98,497.47	8,98,497.47
	(b) Other Equity	13	1,61,013.66	1,09,588.20
(2)	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14.1	5,44,421.65	5,77,217.35
	(ii) Other Non-Current Financial Liabilities	14.2	1,60,572.39	1,46,789.34
	(b) Provisions	15	58,097.22	61,021.24
	(c) Deferred Tax Liabilities (Net).	16	2,28,281.66	2,17,325.17
	(d) Other Non-Current Liabilities	17	28,031.49	18,657.56
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18.1	1,02,787.18	1,64,604.07
	(ii) Trade Payables	18.2	24,562.55	24,767.34
	(iii) Other Current Financial Liabilities	18.3	32,290.80	73,776.13
	(b) Other Current Liabilities	19	585.76	496.04
	(c) Provisions	20	24,976.42	25,217.34
	TOTAL EQUITY AND LIABILITIES		22,64,118.25	23,17,957.27
	Significant Accounting Policies	1 to 3		

The accompanying notes are an integral part of these financial statements
As per our attached report of even date

For Khimji Kunverji & Co.,
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Hasmukh B. Dedhia
Partner
Membership No. F-33494
Date : 27 August 2018
Place : Mumbai

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anil Kalekar
Chief General Manager (F&A)

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Parrag Jaïin Nainutia
Chairman & Managing Director

Sd/-
Vinayak Sathe
Director (Finance)

Sd/-
Ganpat Munde
Director (Operations)

Sd/-
Vineeta Shriwani
Company Secretary

Maharashtra State Electricity Transmission Company Limited
Standalone Statement of Profit and Loss for the year ended 31st March, 2018 (Rs. in Lakhs)

Sr. No.	Particulars	Note No	2017-18	2016-17
	Revenue			
I	Revenue from operations	21	3,77,809.99	2,16,204.94
II	Other Income	22	19,025.21	1,03,331.39
III	Total Revenue (I+II)		3,96,835.20	3,19,536.33
	Expenses			
IV	Repair & Maintenance Expenses	23	18,860.05	12,302.47
	Employee benefits expense	24	88,714.64	96,004.27
	Finance costs	25	58,266.02	67,090.92
	Depreciation and amortization expense		1,10,958.52	1,08,501.72
	Other expenses	26	38,584.69	26,801.92
	Total expenses (IV)		3,15,383.92	3,10,701.30
V	Profit/(loss) before tax (III-IV)		81,451.28	8,835.03
VI	Tax expense:			
	(1) Current tax		(19,328.00)	(1,221.00)
	(2) Current tax-Previous years		-	-
	(3) Deferred tax		(10,866.10)	(8,120.97)
VII	Profit/(Loss) for the year (V-VI)		51,257.18	(506.94)
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	-Remeasurement of defined benefit plans		258.66	(3,113.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(90.39)	1,077.59
IX	Total Comprehensive Income for the period (VII + VIII)		51,425.46	(2,543.06)
X	Basic and diluted earnings per share (Face Value Rs 10/-)		0.57	(0.01)
	Significant Accounting Policies	1 to 3		

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For Maharashtra State Electricity Transmission Company Limited

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Anil Kalekar
Chief General Manager (F&A)

Sd/-
Vinayak Sathe
Director (Finance)

Sd/-
Hasmukh B. Dedhia
Partner
Membership No. F-33494

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Ganpat Munde
Director (Operations)

Sd/-
Parrag Jaiin Nainutia
Chairman & Managing Director

Sd/-
Vineeta Shriwani
Company Secretary

Date : 27 August 2018
Place : Mumbai

**Maharashtra State Electricity Transmission Company Limited
Standalone Cash Flow Statement For The Year Ended March 31, 2018**

(Rs. in Lakhs)

Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extra-Ordinary Items (Excluding Minority Interest)	81,451.28	8,835.03
Adjustment for :		
Depreciation	1,10,958.52	1,08,501.72
Amortisation of government grants	(809.98)	(811.26)
Gain on disposal of property, plant and equipment	(349.11)	(370.64)
Gain on sale of investments	0.41	-
Proceeds from sale of property, plant and equipment	(256.08)	-
Dividends received	(1,608.75)	(357.50)
Interest received	(4,537.33)	(4,676.22)
Finance costs	69,839.90	67,090.92
Current Tax Assets (Net)	-	38,103.19
Income Tax Refund	-	-
Operating Profit Before Working Capital Changes	2,54,688.88	2,16,315.24
Movements in Working Capital		
(Increase)/Decrease in WIP / Inventory	2,309.70	(462.45)
(Increase)/Decrease in Trade Receivable	39,500.52	(27,949.25)
(Increase)/Decrease in Short Term Loan and Advance	495.28	2,005.40
(Increase)/Decrease in Other Current Assets	2,342.49	(1,229.87)
Increase/(Decrease) in Provisions	(3,164.94)	1,184.51
Increase/(Decrease) in Trade Payables	(204.79)	(5,970.58)
Increase/(Decrease) in Other Current Liabilities	(48,066.71)	(1,34,325.52)
Increase/(Decrease) in Other Long Term Liabilities		
Cash generated from operations	2,47,900.40	49,567.47
Direct Taxes (paid) / Refund	(9,377.52)	(431.00)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	2,38,522.88	49,136.47
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital advance	(1,02,361.65)	(1,19,741.06)
Amortisation of government grants	809.98	811.26
Gain on sale of investments	(0.41)	-
Receipts of government grants	10,183.91	
Long term loans and advances	14,148.01	(321.61)
Other non-current assets	1,840.80	4,291.38
Other non-current liabilities	(809.98)	(935.54)
(Purchase)/Sale in Investment	(14,968.08)	1,433.66
Other non current financial liabilities	13,783.04	7,574.05
Dividends received	1,608.75	357.50
Interest received	4,537.33	4,676.22
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(71,228.30)	(1,01,854.14)

(Rs. in Lakhs)

Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	-	-
Proceeds/(Repayment) from Short Term Borrowings	(61,816.89)	58,867.07
Proceeds/(Repayment) from Long Term Borrowings	(32,795.70)	60,790.64
Interest paid / Finance costs	(69,839.90)	(67,090.92)
Loan Processing Charges Paid	-	-
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(1,64,452.49)	52,566.78
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	2,842.09	(150.88)
Opening Balance of Cash & Cash Equivalents	6,359.98	6,510.86
Closing Balance of Cash & Cash Equivalents	9,202.08	6,359.98

Components of Cash & Cash Equivalents at	31-03-2018	31-03-2017
Balance with Banks		
(a) Cash and Stamps on hand	13.97	14.45
(b) Bank balances	3,446.38	2,058.72
(c) Demand Deposits	5,741.73	4,286.81
Cash & Cash Equivalents at the end of the year	9,202.08	6,359.98

As per our attached report of even date

For Maharashtra State Electricity Transmission Company Limited

For **Khimji Kunverji & Co.,**
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Anil Kalekar
Chief General Manager (F&A)

Sd/-
Vinayak Sathe
Director (Finance)

Sd/-
Hasmukh B Dedhia
Partner
Membership No. F-33494

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Ganpat Munde
Director (Operations)

Sd/-
Parrag Jain Nainutia
Chairman & Managing Director

Sd/-
Vineeta Shriwani
Company Secretary

Date : 27 August 2018
Place : Mumbai

Maharashtra State Electricity Transmission Company Limited
Standalone Statement of changes in equity for The Year Ended March 31, 2018

A. Equity share capital

(Rs in lakhs)

	Notes	Amount
As at 1st April , 2016		8,98,497.47
Changes in equity share capital	12	-
As at 31st March , 2017		8,98,497.47
Changes in equity share capital	12	-
As at 31st March , 2018		8,98,497.47

B Other equity

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Reserves & Surplus		
Contingency Reserve Fund		
Opening Balance	43,644.00	38,098.00
Transferred from retained earnings	5,881.00	5,546.00
	49,525.00	43,644.00
Special Reserve Fund		
Opening Balance	13,939.00	13,939.00
Add : Addition During the Year	-	-
	13,939.00	13,939.00
Retained Earnings		
Opening Balance	52,005.20	1,17,920.45
Ind AS adjustments	-	-
Profit for the year	51,257.18	(43,906.29)
Income tax adjustments	-	(16,462.96)
Other comprehensive income for the year	168.27	-
Total comprehensive income for the year	51,425.46	(60,369.25)
Transferred to Contingency Reserve	(5,881.00)	(5,546.00)
Transferred to Special Reserve Fund	-	-
	97,549.66	52,005.20
Total	1,61,013.66	1,09,588.20

As per our attached report of even date

For Maharashtra State Electricity Transmission Company Limited

For **Khimji Kunverji & Co.,**
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Anil Kalekar
Chief General Manager (F&A)

Sd/-
Vinayak Sathe
Director (Finance)

Sd/-
Hasmukh B Dedhia
Partner
Membership No. F-33494

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Ganpat Munde
Director (Operations)

Date : 27 August 2018
Place : Mumbai

Sd/-
Parrag Jaain Nainutia
Chairman & Managing Director

Sd/-
Vineeta Shriwani
Company Secretary

Notes to Standalone Financial Statements for the year ended 31st March,2018

1 a) Corporate and General Information

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 Scheme was approved by Government of Maharashtra (GoM) on 31.03.2016. The transfer of Assets and Liabilities under the above Transfer Scheme was made by the GoM. As decided the consideration for the transfer of undertaking being excess of assets over liabilities is discharged by issue of Equity Shares of Rs.898497.47 Lakhs to MSEB Holding Company Limited (the Holding Company).

Maharashtra State Electricity Transmission Company Limited ('MSETCL' or 'the Company') is a leading state transmission utility in the country. MSETCL owns and operates most of Maharashtra's Electric Power Transmission System. The Company is a wholly owned corporate entity under the Maharashtra Government incorporated and domiciled in India on May 31, 2005 after restructuring the erstwhile Maharashtra State Electricity Board to transmit electricity from its point of generation to its point of distribution.

The Company is notified as the State Transmission Utility (STU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS),

2 Statement of significant Accounting Policies

2.1 Basis of Preparation

(i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013, and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereafter.

The financial statements upto year ended 31 March, 2016 were prepared in accordance with Generally Accepted Accounting Principles in India, the relevant provisions of the Companies Act, 2013, including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

(ii) Basis of measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value;

Certain financial assets and liabilities that are measured at fair value;

Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;

Defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.2 Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

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

- Estimates of useful lives and residual value of Property, Plant and Equipments and Intangible Assets;
- Valuation of Inventories;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability of deferred tax assets, and
- Contingencies.

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

2.3 Property, Plant and Equipment (Ind AS 16)

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed / retired from active use are derecognized. If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, contracts for construction of Sub-station and Transmission Lines where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

The cost of land includes payments/liabilities towards compensation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as cost of Land Development.

Spare parts whose cost is Rs.10,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.4 Capital Work-In-Progress (CWIP) (Ind AS 16)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Project Offices, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

Costs incurred on identification, survey and feasibility studies of a project under sanctioned scheme are shown as a distinct item under capital work in progress till the period of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to Statement of Profit and Loss in the year of rejection

2.5 Intangible Assets (Ind AS 38)

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

2.6 Depreciation/Amortization (Ind AS 16)

Depreciation/amortization on the assets related to transmission business is provided on straight line method following the rates and methodology notified by the Maharashtra Electricity Regulatory Commission (MERC) for the purpose of recovery of tariff.

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 4 years, whichever is less with nil residual value.

Mobile Phones are charged off within 3 years from the date of Purchase.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease on account of price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated retrospectively at the rates and methodology as specified by the MERC Tariff Regulations.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business, following the rates and methodology notified by the MERC.

The residual values, useful lives and methods of depreciation for assets other than assets related to transmission business are reviewed at each financial year end and adjusted prospectively, wherever required.

Property, Plants & Equipments costing Rs. 5,000/- or less, are fully depreciated in the year of acquisition

Leasehold land is fully amortized over lease period in accordance with the rates and methodology specified in MERC Tariff Regulation.

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%

2.7 Borrowing costs (Ind AS 23)

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest during Construction (IDC) and expenditure (net) allocated to construction as per policy referred at 2.4 above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP. Actual IDC is calculated for schemes where it is possible. In case of remaining scheme, debt equity ratio of 70:30 is considered for calculating of IDC for opening capex as well as capex incurred during the year. FIFO method is followed while considering the capitalization i.e. first capitalization of asset will be taken place from opening balance of capex. The weighted average rate of interest of each financial institution and banks is applied for Calculating IDC.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessary takes a substantial period of time to get ready for its intended use) are capitalized as a part cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

Capitalization of Borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are completed

Investment income earned on temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.8 Non-current assets held for sale (Ind AS 105)

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment and intangible assets classified as held for sale are not depreciated or amortized.

2.9 Leases (Ind AS 17)

Finance Lease

Assets acquired as Finance leases, where the Company, as lessee substantially all the risks and rewards of ownership, such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease. Payments made under Operating Leases are generally recognized in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

Lease Agreements in respect of land are considered as Finance Lease as the land has been used for the construction of Sub-Stations which are having perpetual use.

2.10 Impairment of Non-financial assets, other than inventories (Ind AS 36)

Cash generating units as defined in Ind AS 36 'Impairment of Assets' are identified at the Balance Sheet date. At the date of Balance Sheet, if there is any indication of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

2.11 Inventories (Ind AS 2)

Inventories are valued at Lower of cost and net realizable value. The cost of inventories is determined on weighted average basis.

Cost of inventories comprises of cost of purchase and other costs incurred in bringing the inventories to its present location and condition. Inventories are issued on First In First Out (FIFO) basis.

Spares which do not meet the recognition criteria as Property. Plant and Equipment are recorded as inventories.

Obsolete, slow moving and unserviceable stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

2.12 Revenue Recognition (Ind AS 18)

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates.

Transmission Income

Revenue from Transmission of Electricity received from Distribution Licensees is accounted for based on Monthly Intra State Transmission Tariff Order issued by the Maharashtra Electricity Regulatory Commission (MERC).

Revenue from Operations such as Open Access charges, SLDC Charges, Rescheduling Charges are recognized as per MERC Orders.

Dividend Income

Dividend income is recognized when the right to receive payment is established.

Interest Income

Interest income is accounted on accrual basis.

Sale of Scrap

Income from sale of scrap is accounted from on realization.

Supervision charges

The supervision charges received from Outright Consumers Contribution is recognized in the year of receipt.

Other Income

Other Income is recognized on accrual basis except when ultimate realization of such income is uncertain.

2.13 Employee Benefits (Ind AS 19)

Short Term Employee Benefits:

Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method based on Actuarial Valuation.

The benefits are discounted using the yields of Corporate Bonds at the end of the reporting period that have terms approximating to the terms of the related obligation.

Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Post-employment benefits:

The Company operates the following post-employment schemes:

- (i) Defined Benefit Plans such as gratuity; and
- (ii) Defined contribution plans such as provident fund.

Defined Benefit Plan

Liability towards defined employee benefits like gratuity is determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plan

Defined Contribution Plans such as Provident Fund etc. are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a separate trust which also manages funds of other group companies. The minimum rate of interest payable by the Trust is in accordance with rate notified by the Government. The Company has an obligation to make good the shortfall, if any.

2.14 Foreign Currency Transactions (Ind AS 21)

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

2.15 Investment in Associates and Joint Ventures (Ind As 27)

The Investment in associates is carried at cost as per Ind AS 27, The cost comprises price paid to acquire investment and directly attributable cost.

2.16 A) Government Grants (Ind AS 20)

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

B) Accounting of Maharashtra Energy Development Agency (MEDA) Projects

As per the 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.

2.17 Provisions and Contingent Liabilities (Ind AS 37)

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. These are reviewed at each Balance sheet date and are adjusted to reflect the current management estimates.

2.18 Fair Value Measurement (Ind AS 113)

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by equated price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or
Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: input- for the assets or liability that are not based on observable market data (unobservable inputs).

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

2.19 Financial Assets (Ind AS 32)

Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cashflow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is:

To hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

Debt instruments at Fair Value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income. Dividends on such equity instruments are recognized in the Statement of Profit or Loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when-

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement, and either:

The Company has transferred substantially all the risks and rewards of the asset, or

The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or assets is determined to have a low credit risk at the reporting date.

The Company had recognized Expected Credit Loss (ECL) on Trade receivables and other financial assets. The ECL primarily comprises of two main factors, viz. Time loss (money value) and Credit loss. Time loss is computed considering an appropriate discount rate. The management believes that the rate used in determining the actuarial valuation of employment benefits is reflective of the loss it suffers due to delays in collection. This rate is reviewed once a year. The Credit loss is calculated on the basis of the credit spread of Corporate Bonds having tenure of 10 years as at the date of the balance sheet.

Trade receivables were categorized into three groups for computing ECL viz.

- 1) Distribution Licensees (Group Companies and Others),
- 2) Open Access Consumers (Long term and Short term) and
- 3) Regular (Other) Consumers. Time loss for all categories was considered as same, whereas Credit loss was provided on the basis of credit spread for Corporate Bonds (published by FIMMOA). The management has estimated an appropriate credit rating for each of the above three groups.

The ECL on other receivables from Group companies is provided to the extent of Time loss only.

2.20 Financial Liabilities (Ind AS 32)

Initial recognition and measurement

Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held for- trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in Statement of Profit and Loss.

Financial Liabilities at amortized cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

De-recognition

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

Offsetting of financial instruments

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

2.21 Taxes on Income (Ind AS 12)

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.22 Prior Period Items (Ind AS 8)

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.23 Earnings per Share (Ind AS 33)

Basic earnings per share are computed using the net profit or loss for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

2.24 Cash and Cash Equivalent (Ind AS 7)

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.25 Cash Flow Statement (Ind AS 7)

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities are segregated.

3 Recent Accounting Pronouncements: Standard issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115 In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ('amended rules'). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018. The standard permits two possible methods of transition:

- a) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- b) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant'

Maharashtra State Electricity Transmission Company Limited
Notes to Standalone Financial Statements for the year ended 31st March, 2018
Note 4.1: Property, Plant & Equipment

Particulars	(Rs. in Lakhs)											
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Line & Cable Networks	Hydraulic Works	Other Civil Works	Furniture & Fixtures	Vehicles	Office Equipment (Including computer)	Others	Total
Gross Carrying amount												
Balance as at 1st April, 2016	24,179.79	9,178.91	40,464.46	8,51,657.54	6,40,328.40	1,340.00	88,455.49	1,531.41	607.74	2974.71	291.82	16,61,010.27
Additions	842.80	403.87	900.18	88,534.18	68,685.24	3.59	11,499.42	144.34	82.62	477.50	-	1,71,633.74
Disposals	48.04	(16.62)	9,615.69	(8,702.45)	(246.41)	-	(206.82)	-	(38.11)	(148.84)	(291.82)	12.66
Ind AS adjustments				2,712.98								2,712.98
Balance as at 31st March, 2017	25,070.63	9,626.16	50,980.33	9,34,202.25	7,08,767.23	1,343.59	99,748.09	1,675.75	652.25	3,303.37	0.00	18,35,369.65
Additions	492.81	2,532.71	563.96	75,940.11	58,770.55	8.50	5,579.33	78.88	53.43	442.85	-	1,44,463.12
Disposals	(45.12)	(0.00)	(23,748.55)	(1,68.07)	62.09	(3.15)	(83.82)	(0.23)	2.43	(0.85)	-	(104.63)
Adjustments				11,593.35	795.46			(5.90)	(2.32)	(0.61)	-	(11,500.66)
Balance as at 31st March, 2018	25,518.32	12,158.86	27,795.74	10,21,567.64	7,68,395.32	1,348.94	1,05,243.60	1,748.51	705.79	3,744.75	0.00	19,68,227.48
Accumulated depreciation												
Balance as at 1st April, 2016	0.00	54.18	4,653.59	51,142.24	44,006.73	239.55	3,488.83	104.92	21.56	430.20	-	1,04,141.81
Additions	0.00	72.26	973.64	54,525.53	42,484.27	34.53	4,532.46	119.26	76.00	909.42	-	1,03,727.37
Disposals	0.00	0.35	(39.44)	4,051.36	1,205.83	144.88	(696.50)	(0.34)	(51.54)	(559.46)	-	4,055.14
Ind AS adjustments	0.00	0.00	-	1,167.60	0.00	-	-	-	-	-	-	1,167.60
Balance as at 31st March, 2017	0.00	126.79	5,587.79	1,10,886.73	87,696.83	418.96	7,324.79	223.84	46.02	780.16	-	2,13,091.92
Additions	0.00	77.70	991.31	59,344.99	43,426.69	34.36	4,881.97	124.97	77.65	1,896.05	-	1,10,855.70
Disposal	0.00	(0.00)	988.03	(10,729.69)	513.28	(917.01)	(869.67)	(3.99)	(29.30)	(1,498.09)	-	(12,546.44)
Adjustments	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	0.00	204.49	7,567.13	1,59,502.04	1,31,636.80	(463.69)	11,337.10	344.83	94.37	1,178.12	-	3,11,401.19
Net Carrying amount												
Balance as at 31st March, 2018	25,518.32	11,954.37	20,228.61	8,62,065.60	6,36,758.52	1,812.63	93,906.50	1,403.68	611.42	2,566.63	-	16,56,826.28
Balance as at 31st March, 2017	25,070.63	9,499.37	45,392.54	8,23,315.52	6,21,070.40	924.63	92,423.29	1,451.91	606.23	2,523.21	0.00	16,22,277.73

Maharashtra State Electricity Transmission Company Limited
Notes to Standalone Financial Statements for the year ended 31st March 2018

Note 4.2: Capital work-in-progress (CWIP)

(Rs. in Lakhs)

Particulars	CWIP
Gross Carrying amount	
Deemed cost as at 1st April, 2016	3,23,211.34
Additions	1,20,417.56
Deductions/Adjustments	(1,71,633.74)
Reclassification Adjustment	(3,361.52)
Balance as at 31st March, 2017	2,68,633.64
Additions	1,02,261.59
Deductions	1,44,463.12
Adjustments	-
Reclassification	-
Balance as at 31st March , 2018	2,26,432.10
At 31st March 2018	2,26,432.10
At 31st March 2017	2,68,633.64

Note 4.3: Intangible Assets

(Rs. in Lakhs)

Particulars	Computer software
Gross Carrying amount	
Deemed cost as at 1st April, 2016	792.50
Additions	
Disposals	(1.72)
Balance as at 31st March, 2017	790.78
Additions	71.68
Disposals	
Balance as at 31st March, 2018	862.46
Accumulated amortisation	
Balance as at 1st April, 2016	222.54
Additions	387.33
Disposals	-
Balance as at 31st March, 2017	609.87
Additions	102.83
Disposals	-
Balance as at 31st March , 2018	712.70
Net Carrying Amount	
Balance as at 31st March, 2018	149.77
Balance as at 31st March, 2017	180.90

Maharashtra State Electricity Transmission Company Limited
Notes to Standalone Financial Statements for the year ended 31st March, 2018

5 Investments in Subsidiaries , Associates and Joint Ventures

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Investments in Associates		
Unquoted		
At Cost		
Equity shares of Rs 10 each fully paid up		
Jaigad Power Transco Limited (No of shares : 35750000 , Previous Year: 35750000)	3,575.00	3,575.00
Maharashtra Transmission Communication Infrastructure Limited (No of Shares : 83,20,464, Previous Year 52,23,726 which includes Bonus shares issued during the year 21,72,242 (Nos))	614.82	522.37
Preference Shares of Rs 10 each fully paid up		
Maharashtra Transmission Communication Infrastructure Limited (No of Shares : 52,23,726 Previous Year NIL) (Refer Note no 34)	522.37	-
Total	4,712.19	4,097.37
Aggregate amount of unquoted securities	4,712.19	4,097.37
Aggregate amount of quoted securities	-	-
Market value of quoted securities	-	-
Aggregate amount of impairment in the value of investments	-	-

6.1 Non - current Investments

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Quoted		
At amortised Cost		
Investments in Government Securities*	14,300.46	10,038.94
Investments in Bonds'	41,530.58	31,170.49
Total	55,831.04	41,209.43
*Earmarked against Contingency Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency		
Aggregate amount of unquoted securities	55,831.04	41,209.43
Aggregate amount of quoted securities	57,893.47	42,793.12
Market value of quoted securities	-	-
Aggregate amount of impairment in the value of investments	-	-

6.2 Non-Current Loans

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured , considered good unless stated otherwise		
Balances with group companies	2,126.90	21,794.05
Loans & Advances to Employees	362.97	
Security Deposits	7,006.97	1,850.81
Total	9,496.84	23,644.86

7 Non-Current Tax Assets (Net)

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance payment of Income Tax (net of Provision for Tax Rs.240733.16 lakhs(Previous Year Rs. 221405.60 lakhs)	38,630.29	41,650.97
Total	38,630.29	41,650.97

8 Other Non - Current Assets

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured , considered good unless stated otherwise		
Capital Advances	800.07	2,573.14
Unamortised transaction cost	85.55	153.28
Total	885.62	2,726.42

9 Inventories (At lower of cost or net realisable value)

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Stores & Spares	21,601.51	23,828.44
-Provision for Material Losses Pending Investigation & Obsolete Materials	(467.23)	(384.46)
Total	21,134.29	23,443.99

10.1 Current Investments

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Quoted		
At amortised Cost		
Investments in Government Securities*	500.03	6,896.69
Investments in Bonds*	6,128.32	0.00
Total	6,628.35	6,896.69
*Earmarked against Contingency Reserve and Exchange Fluctuation on account of Borrowing from Japan International Cooperation Agency		
Aggregate amount of unquoted securities	6,628.35	6,896.69
Aggregate amount of quoted securities	5,347.35	7,420.70
Market value of quoted securities		
Aggregate amount of impairment in the value of investments		

10.2 Trade Receivables

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured unless stated otherwise		
Considered Good	2,25,796.16	2,65,296.67
-Allowance as per Expected Credit Loss Model		
Considered Doubtful	12,470.78	2,636.39
-Allowance for Doubtful	(12,470.78)	(2,636.39)
Total	2,25,796.16	2,65,296.67

10.3 Cash & Bank Balance

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
i) Cash and Cash Equivalents		
Balances with Banks	3,446.38	2,058.71
Cash and Stamps on Hand	13.97	14.45
ii) Demand Deposits with Banks		
	5,741.73	4,286.82
Total	9,202.08	6,359.98

10.4 Current Loans

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good		
Loans & Advances to Employees	210.45	705.74
Total	210.45	705.74

10.5 Other Current Financial Assets

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good unless stated otherwise		
Fixed Deposits Received from Suppliers/ Contractors as Deposits	853.74	706.38
Receivable from MSEB CPF Trust	-	514.50
Claims for loss/damage to materials	-	0.58
Interest Receivable	1,449.29	1,422.79
Other Receivable	0.25	191.29
Total	2,303.28	2,835.55

11 Other Current Assets

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured, Considered Good		
Prepaid Expenses	699.83	66.68
Advances to Suppliers	1,375.42	3,250.52
Advances and Recoverables	207.27	207.27
Interest on refund from Income Tax	1.85	518.95
Other Recoverable		
Considered good	91.89	103.09
Considered doubtful	149.11	149.11
Less-Provision for Doubtful Debts	(149.11)	(149.11)
Total	2,376.26	4,186.47

12 Equity Share Capital

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
a) Authorised 1500,00,00,000 Equity Shares of Rs.10/- each (Previous year 31st March, 2017:1500,00,00,000)	15,00,000.00	15,00,000.00
b) Issued, Subscribed and Paid up 898,49,74,733 Equity Shares of Rs.10/-each (Previous year 31st March, 2017: 898,49,74,733)	8,98,497.47	8,98,497.47
Total	8,98,497.47	8,98,497.47

c) Terms & Rights attached to equity shares

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

d) Reconciliation of No. of equity shares

Particulars	As at 31.03.2018	As at 31.03.2017
Opening Balance	8,98,49,74,733	8,98,49,74,733
Shares issued	-	-
Closing Balance	8,98,49,74,733	8,98,49,74,733

e) Shares held by shareholders each holding more than 5% of the shares

Particulars	Number of fully paid equity shares	Number of fully paid equity shares
Equity Shares		
MSEB Holding Company Limited (% of Holding : 99.99%)	8,98,49,74,673	8,98,49,74,673

The above shares are held by MSEB Holding Company

f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Equity Shares of Rs.10 each issued in the financial year 2015-16 as fully paid up to the shareholders of MSEB Holding Company limited, pursuant to the Maharashtra State Electricity Reforms Transfer Scheme, 2005 approved by Government of Maharashtra on 31.03.2016.	2017-18	2016-17
	No. of Shares	No. of Shares
	8,98,49,74,733	8,98,49,74,733
	Amount in Lakhs	Amount in Lakhs
	8,98,497.47	8,98,497.47

g) There were no shares allotted as fully paid up by way of Bonus shares and Buy back during the period of five years immediately preceding the reporting date

13 Other Equity

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Reserves & Surplus		
a) Contingency Reserve Fund (Refer note (a) below)		
Opening Balance	43,644.00	38,098.00
Transferred from retained earnings	5,881.00	5,546.00
	49,525.00	43,644.00
b) Special Reserve Fund (Refer note (b) below)		
Opening Balance	13,939.00	13,939.00
Add : Addition During the Year	-	-
	13,939.00	13,939.00
c) Retained Earnings		
Opening Balance	52,005.20	1,17,920.45
Ind AS adjustments		
Reversal of provision for dimution in investment value		
Profit for the year	51,257.18	(43,906.29)
Income tax adjustments	-	(16,462.96)
Other comprehensive income for the year	168.27	-
Total comprehensive income for the year	51,425.46	(60,369.25)
Transferred to Contingency Reserve	(5,881.00)	(5,546.00)
Transferred to Special Reserve Fund	-	-
	97,549.66	52,005.20
Total	1,61,013.66	1,09,588.20

The Description of the nature and purpose of each reserves in other equity is as follows:

a) Contingency Reserve Fund-

A contribution towards Contingency Reserves has to be made in accordance with Regulation 36 of MERC(MYT) Regulations, 2011 and which is within the prescribed limits of Regulation(not less than 0.25% and not more than 0.5% of the original cost of fixed assets annually) and is to be invested in the approved class of securities authorised under the Indian Trust Act, 1882.

b) Special Reserve Fund-

A contribution towards Special Reserve has to be made in accordance to the mechanism for sharing of gains or losses on account of controllable factors as per MERC Regulation, 2005. As per the regulation 19.1(b) one third of the amount of such gain is to be retained in a special reserve for the purpose of absorbing the impact of any future losses on account of ontrrollable factors

14.1 Non-Current Borrowirngs

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Secured		
Term Loans from Banks (Note 14.1.a)	11,541.36	13,479.33
Term Loans from Other Parties (Note 14.1.b)	5,32,880.29	5,63,738.02
Total	5,44,421.65	5,77,217.35

(Refer Note 35 & 37.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

14.1.a Term Loans from Banks

(Rs in lakhs)

Name of the Bank	As at 31.03.2018	As at 31.03.2017
Union Bank of India	3,536.29	6,111.65
Bank Of Baroda	3,910.01	5,431.65
Oriental Bank of Commerce	1,395.61	1,936.03
Bank of India	2,699.46	0.00

14.1.b Term Loans from Other Parties

(Rs in lakhs)

Name of the Bank	As at 31.03.2018	As at 31.03.2017
Rural Electrification Corporation	3,27,431.36	3,29,472.94
Japan international Corporation Agency	21,577.61	26,074.25
Power Finance Corporation	1,83,871.33	1,97,490.08
International Finance Corporation	0.00	10,700.75

14.2 Other Non-Current Financial Liabilities

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Retention Money	76,316.68	88,183.32
Security Deposits	22,414.60	27,984.62
Other deposits	61,841.11	30,621.41
Total	1,60,572.39	1,46,789.34

15 Non-Current Provisions

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employment Benefits		
Provision for Gratuity	30,387.35	32,899.01
Provision for Leave Encashment	27,709.87	28,122.23
Total	58,097.22	61,021.24

16 Deferred tax liabilities(Net)

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred tax liabilities		
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	2,62,056.59	2,52,751.54
Loans and borrowings	706.66	155.98
Government grant	(236.58)	(170.12)
DTL	2,62,526.68	2,52,737.40
Deferred tax assets		
Employee Benefits	20,425.57	21,603.73
Others	7,778.41	7,778.40
Impairment on trade receivables	963.09	963.09
Amortisation of investment in govt securities	1,578.03	1,567.09
DTA	30,745.10	31,912.31
Reversal of opening DTL	3,499.92	3,499.92
Net (DTA)/DTL	2,28,281.66	2,17,325.17

17 Other Non-Current Liabilities

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Grant: Power System Development Fund	874.53	-
Grant: Deferred Government Grants	17,847.58	18,657.56
Grant: Green Energy Corridor for Projects	7,500.00	-
Grant: Tribal Sub Plan Area (TSP)	1,809.38	-
Total	28,031.49	18,657.56

(Refer Note No.30)

18.1 Current Borrowings

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Loan Repayable on Demand		
Secured		
Current Maturities of Term Loans from Banks	5,153.08	7,771.00
Current Maturities of Term Loans from Other Parties	90,646.27	87,966.00
Unsecured		
Working capital loans from banks	6,987.83	68,867.07
Total	1,02,787.18	1,64,604.07

(Refer Note 35 & 37.2 for details regarding terms of borrowing, nature of security, repayment terms etc.)

18.2 Trade payables

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Dues to micro, Small and Medium Enterprises (Refer note 37.3)	-	-
Due to others	24,562.55	24,767.34
Total	24,562.55	24,767.34

18.3 Other current financial liabilities

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Interest accrued but not due on borrowings	7,378.71	8,587.78
Unclaimed matured open market bonds	4.80	84.80
Payable to MSEB CPF Trust	1,535.67	-
Employee related payables	7,349.42	8,038.21
Capital creditors	12,668.71	12,613.74
Payable to group companies	3,135.19	44,300.65
Other payables	218.30	150.95
Total	32,290.80	73,776.13

19 Other current liabilities

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Duties & taxes payable	585.76	213.77
Advances from customers	(0.00)	282.27
Total	585.76	496.04

20 Short term Provisions

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for gratuity	8,013.97	8,387.96
Provision for leave encashment	8,292.93	8,530.52
Provision for CSR Expenditure	7,919.87	8,092.44
Provision for late interest payment on Service Tax	267.34	267.24
Provision for Tree/Land Compensation	482.31	-
Provision for decrease in value of Investment	-	(60.83)
Total	24,976.42	25,217.34

21 Revenue from operations

(Rs in lakhs)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Transmission charges (STU)	3,48,386.78	1,97,829.43
Transmission charges (Goa)	9,768.36	9,768.36
Transmission charges (Others)	16,496.26	4,361.99
Open Access Charges	1,025.37	2,361.11
SLDC Charges	1,881.19	1,698.50
Rescheduling Charges	252.03	185.54
Total	3,77,809.99	2,16,204.94

22 Other Income

(Rs in lakhs)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Interest income	4,537.33	4,676.22
Rent	633.61	560.00
Profit on sale of Property , Plant and Equipment	349.11	370.64
Sale of tender forms	134.48	101.36
Income from sale of scrap	817.61	626.49
Government Grant	809.98	811.26
Amortisation of investments		(24.35)
Other Miscellaneous Income	11,742.60	96,209.77
Gain on foreign currency transaction and translations (Net)	0.50	0.00
Total	19,025.21	1,03,331.39

23 Repair & Maintenance Expenses

(Rs in lakhs)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Property, Plant and Equipment	18,972.83	12,390.54
Others	-	37.12
Repairs and maintenance expenses capitalised	(112.78)	(125.18)
Total	18,860.05	12,302.47

24 Employee Benefits Expense

(Rs in lakhs)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Salaries, allowances, Bonus etc.	74,390.62	73,081.73
Staff welfare expenses	1,717.52	3,639.94
Other staff costs	526.36	2,639.94
Leave encashment	5,604.59	11,713.49
Gratuity	5,273.61	5,223.11
Contribution to Provident & Other Funds	7,488.66	7,388.88
Employee costs capitalised	(6,286.72)	(7,682.82)
Total	88,714.64	96,004.27

25 Finance Cost

(Rs in lakhs)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Interest Expense		
- Banks	3,588.65	5,937.48
- Others	65,794.26	74,074.37
Transaction Costs	253.04	39.96
Other Finance Costs		
Guarantee charges	1.27	6.66
Miscellaneous Costs	16.60	62.53
Amortisation of borrowings	186.07	95.61
Interest and Finance Charges Capitalised	(11,573.87)	(13,125.70)
Total	58,266.02	67,090.92

26 Other expenses

(Rs in lakhs)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Advertisement Expenses	48.50	54.76
Advertisement of tenders / notices and other purchase related advertisement	1,006.48	1,007.14
Auditor's Remuneration		
Statutory Audit Fees	19.49	19.49
For Reimbursement of Expenses	9.00	9.00
For Reimbursement of GST/ST on Audit Fee	5.13	2.92
Bad debts written off		
Electricity Charges	5,174.89	5,170.54
Freight Charges	3.64	4.10
Government Inspection Fees	0.03	0.24
Insurance	303.96	340.59
Legal & Professional Fees	511.50	520.17
Membership & Subscription	187.52	724.79
Miscellaneous Expenses	4,863.97	2,588.46
Miscellaneous losses and provisions	11,162.74	2,869.47
Postage Telephone & Telex	448.53	487.87
Printing & Stationery	302.23	274.69
Rent	1,220.29	1,185.99
Rates & Taxes	1,223.49	1,161.43
Security Expenses	6,660.98	5,740.28
Travelling & Conveyance	953.68	958.98
Upkeep of office	1,020.93	1,133.64
Vehicle Running & Maintenance Expenses	508.49	518.93
Water charges	531.60	542.59
Expenditure on Hire	2,111.19	1,850.19
Foreign Exchange Loss	1,607.17	268.99
Corporate Social Responsibility Expenses	-	764.14
Expenses capitalised	(1,300.74)	(1,397.47)
Total	38,584.69	26,801.92

27 Lease Disclosures

A) Finance Lease

The company has taken land on lease from Government of Maharashtra, CIDCO, MIDC, etc for construction of substation and lines for 99 years and more by payment of upfront premium. Such lease arrangements have been considered as finance lease.

As at 31.03.18

(Rs in Lakhs)

Particulars	Land
Gross carrying amount	12,158.86
Accumulated amortisation	1,029.20
Amortisation recognised in statement of P&L	77.70

As at 31.03.17

(Rs in lakhs)

Particulars	Land
Gross carrying amount	10,451.86
Accumulated amortisation	922.99
Amortisation recognised in statement of P&L	72.61

(Rs in lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Minimum Lease payment	Present value of MLP	Minimum Lease payment	Present value of MLP
Within one year	-	-	-	-
After one but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total minimum lease payments	-	-	-	-
Less : amounts representing finance charges	-	-	-	-
Present value of minimum lease payments	-	-	-	-

B) Operating lease

a) Leases as lessee

i) The Company has an operating leases for office facilities and residential premises under a non-cancellable operating lease agreements. The lease rentals paid for the same are charged to Statement of Profit and Loss.

ii) **Future minimum rentals payable under non-cancelable operating leases are.**

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Not later than one year	4.88	1,086.49
Later than one year and not later than five years	4.22	7.13
Later than five years		0.00

iii) **Amounts recognised in profit or loss**

(Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Lease expense	1,220.29	1,185.98
Contingent rent expense		-

b) Leases as lessor

The Company has given land to Maharashtra Eastern Grid Power Transmission Company Limited for 20 years for construction of 765/400 kv sub-station. The said lease is considered as operating lease in the books of MSETCL

As at 31.03.18

(Rs in lakhs)

Particulars	Land
Gross carrying amount	339.40
Accumulated amortisation	-
Amortisation recognised in statement of P&L	-

As at 31.03.17

(Rs in lakhs)

Particulars	Land
Gross carrying amount	339.40
Accumulated amortisation	-
Amortisation recognised in statement of P&L	-

Note 28 Employee Benefits

a) Defined Contribution Plans

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss. According to the Management, the Actuary has opined that actuarial valuation can not be applied to reliably measure provident fund liabilities in absence of guidance from the Actuary Society of India. The investment value is excess by Rs. 2551.64 Lakhs (P.Y. Rs. 3460 Lakhs shortage) than subscription value, hence provision is made accordingly. The Company recognised Rs. 7476.19 lakhs (previous year Rs. 7384.84 lakhs) for Provident Fund contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Provident Fund

- i) The amount recognized in balance sheet in respect of Company's share of assets and liabilities of the fund managed by the CPF Trust are as under: (Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Liability for subscriptions and interest payable to employees at the end of the year	1,29,670.20	1,26,715.79
Fair value of plan assets at the end of the year	1,32,221.84	1,23,255.73
Net Liability	(2,551.64)	3,460.07

ii) Description of plan

Particulars	As at 31.03.2018	As at 31.03.2017
Special Deposit Schemes(SDS)	26.53%	27.51%
Other Security Gaurantee by Central/State Govt	5.27%	5.92%
Government Securities (GOI)	14.78%	16.47%
State Development Loan (SDL)	19.81%	15.43%
Debt's and Other Related Instrument	31.21%	33.55%
Exchange Traded Fund (ETF)	1.43%	1.12%
Others	0.96%	0.00%

b) Defined Benefit Plan : Gratuity

Liability towards long term defined employee benefits - leave encashment, gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is unfunded in the case of leave encashment and gratuity.

Gratuity (Unfunded)

Movement in net defined benefit (asset)/ liability

- i) Reconciliation of opening and closing balance of Gratuity obligation (Rs in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Defined benefit obligation at the beginning of the year	41,286.97	42,104.36
Current service cost	1,988.84	1,888.01
Past Service Cost	224.22	-
Interest cost	3,051.10	3,309.40
Actuarial (gain)/loss	(258.66)	3,113.70
Benefits paid	(7,891.15)	(9,128.51)
Defined benefit obligation at the end of the year	38,401.32	41,286.97

ii) Reconciliation of opening and closing balance of fair value of plan assets (Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan	-	-
Actuarial (gain)/loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

iii) Reconciliation of fair value of assets and obligations: (Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Fair value of plan assets as at the end of the year	-	-
Present value of obligations as at the end of the year	(38,401.32)	(41,286.97)
Unfunded (Liability)/asset recognized in the Balance	(38,401.32)	(41,286.97)

iv) Amount recognized in the Statement of Profit and Loss : (Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Current service cost	1,988.84	1,888.01
Interest cost	3,051.10	3,309.40
Past Service Cost	224.22	-
Expected return on plan assets	-	-
Net Actuarial (gain)/loss	-	-
Total expenses	5,264.16	5,197.41
Actual return on plan assets	-	-

v) Amount recognised in Other Comprehensive Income : (Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Actuarial (Gains)/ Losses		
-Changes in Demographic assumptions		
-Changes in Financial arrangements	(783.67)	1,031.79
-Changes in the effect of limiting a net defined benefit asset ceiling, excluding amounts included in interest		
-Experience adjustments	525.01	2,081.91
-Return on Plan assets excluding amounts net interest		

vi) Major Acturaial Assumptions

Particulars	As at 31.03.2018	As at 31.03.2017
Discount rate	7.73%	7.39%
Estimated return on plan	NA	NA
Salary increment	5%	5%
Employee turnover	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A	N.A

vii) The expected future :

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Projected benefits payable in future years from the date of reporting		
1st following year	8,013.97	8,387.96
2nd following year	4,821.74	4,827.14
3rd following year	4,593.03	6,745.79
4th following year	3,815.20	4,268.51
5th following year	2,933.16	3,588.03
Sum of year 6 to 10	11,610.43	11,341.44
Sum of Year 11 and above	37,524.62	34,382.86

viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(+) 1% change in rate of discounting	(2,097.37)	(2,118.17)
(-) 1% change in rate of discounting	2,420.99	2,438.62
(+) 1% change in rate of salary increase	2,462.24	2,473.00
(-) 1% change in rate of salary increase	(2,166.24)	(2,182.49)
(+) 1% change in rate of employee	541.22	457.68
(-) 1% change in rate of employee	(608.93)	(515.53)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

c) Long Term Benefits: Leave Encashment

i) The Projected Benefit

(Rs in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Projected Benefit Obligation	24,845.89	24,860.39
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

ii) Major Actuarial Assumptions (Earn Leave Valuation)

Particulars	As at 31.03.2018	As at 31.03.2017
Discount rate	7.73%	7.39%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years
While in service encashment rate	10% For the next year	10% for the next year

**iii) The Projected Benefit Obligation towards this Accumulating paid absences (Half paid leave) is tabulated below:
(Rs in Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017
Projected Benefit Obligations	11,157.00	11,792.36
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

iv) Major Actuarial Assumptions (Half paid leave)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Discount rate	7.73%	7.39%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years

Note 29: Related Party Transactions

1. Names of related parties

a) Associates

Jaigad Power Transco Limited
Maharashtra Transmission Communication Infrastructure Limited

b) Key Managerial Personnel

Key Management Personnel Name	Designation	With effect from
Shri.Rajeevkumar Prembushan Mital	Chairman & Managing Director	06.01.2015 to 01.05.2018
Shri.Parrag Jaiin Nainutia	Chairman & Managing Director	02.05.2018
Shri.Vinayak Sathe	Director Finance	02.04.2016
Ms.Vineeta Shriwani	Company Secretary	22.06.2015
Shri.Omprakash Kanhayya Yempal	Director (Operations)	06.07.2011 to 25.05.2017
Shri.Ganpat T Munde	Director (Operations)	20.07.2017
Shri.Ravindra Dinkarrao Chavan	Director (Projects)	05.05.2015 to 04.05.2018
Shri.Pushpa Ramcharan Chavan	Independent Director	18.05.2018
Shri.Vishwas Pathak	Independent Director	26.06.2014
		24.08.2015

c) Remuneration paid to Key Managerial Personnel

(Rs. In Lakhs)

Key Management Personnel Name	2017-18	2016-17
Shri. Rajeevkumar Prembushan Mital	21.41	23.64
Shri. Vinayak Sathe	17.73	20.12
Ms. Vineeta Shriwani	18.86	14.84
Shri. Omprakash Kanhayya Yempal	26.67	30.77
Shri. Ravindra Dinkarrao Chavan	29.02	25.24
Shri. Ganpat T. Munde	17.01	-

d) Sitting Fees paid to Independent Directors

(Rs. In Lakhs)

Name of independent Directors	2017-18	2016-17
Smt. Pushpa Ramcharan Chavan	1.00	0.60
Shri. Vishwas Pathak	1.10	0.90

e) Transactions during the year with Associates:

(Rs. In Lakhs)

Particulars	2017-18	2016-17
<u>Jaigad Power Transco Limited</u>		
Dividend income	1,608.75	357.50
Bay Maintenance income	105.08	33.18
Investment in Associates		
A	1,713.83	390.68
<u>Maharashtra Transmission Communication Infrastructure Limited</u>		
Investment in Equity Shares	92.45	-
Investment in Preference Shares	522.37	-
B	614.82	0.00
Total (A+B)	2,328.66	390.68

f) Outstanding balances with Associates:

(Rs. In Lakhs)

Name of Associates	As at 31.03.2018	As at 31.03.2017
<u>Investments in Equity Shares</u>		
Jaigad Power Transco Limited	3,575.00	3,575.00
Maharashtra Transmission Communication Infrastructure Limited	614.82	522.37
<u>Investments in Preference Shares</u>		
Maharashtra Transmission Communication Infrastructure Limited	522.37	0.00

2 Key Managerial Personnel are not entitled for post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements.

3 The Company has not included disclosure in respect of following related parties which are Government related entities as per Ind AS 24:

Maharashtra State Power Generation Company Limited (Maha Genco)

Maharashtra State Electricity Distribution Company Limited (Maha Vitaran)

MSEB Holding Company Limited (MSEB Holding Company Limited)

Note 30 : Government Grants for capital assets

(Rs. In Lakhs)

Capital/Government grants	Amount	
As at 1 April 2016		19,468.82
Received during FY 2016-2017		-
Government Grant amortised during FY 2016-2017		811.26
As at 31.03.2017		18,657.56
Received during FY 2017-2018		10,183.91
Government Grant amortised during FY 2017-2018		809.98
As at 31.03.2018		28,031.49
	31.03.2018	31.03.2017
Current	795.98	809.98
Non current	27,235.52	17,847.58
Total	28,031.50	18,657.56

MSETCL has received Government Grant for the purpose of strengthening of Transmission Network by constructing Substations and Lines in various Districts in Maharashtra.

F.Y	Grants Received (Rs in lakhs)	Purpose for which grant received	Reasons for unfulfilled conditions
2006 - 07	6,850.00	Construction of Substations and Lines for strengthening of Transmission Network in 14 Districts	Total 29 Schemes out of which only 2 schemes are still ongoing
2007 - 08	8,000.00		Total 21 Schemes out of which only 4 schemes are still ongoing
2008 - 09	9,000.00		Total 79 Schemes out of which only 3 schemes are still ongoing.
2017 - 18	874.53	Power System Development Fund for System improvement	Schemes are yet to start
2017 - 18	7,500.00	Received as per the recommendation of 13th Finance Commission towards equity portion of MSETCL for Green Energy Corridor project	Schemes are yet to start
2017 - 18	1,809.38	The grant is received from State Government towards 50% construction cost of Jawahar substation in Thane district under Tribal Sub Plan Area (TSP)	Schemes are yet to start
Total	34,033.91		

Note 31 : Earnings Per Share (EPS)

Profit attributable to Equity holders of Company

(Rs. In Lakhs)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Profit attributable to equity holders of the Company for basic and diluted earnings per share	51,257.18	(506.94)

Weighted average number of ordinary shares

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Weighted average number of shares at March 31 for basic and diluted earnings per shares	8,98,49,74,733	8,98,49,74,733

(Amt.in Rs.)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Basic and Diluted earnings per share	0.57	(0.01)

Note 32: Tax expense
a) Amounts recognised in statement of profit and loss

Particulars	(Rs. In Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Current year Short/Excess provision for earlier years	(19,328.00)	1,221.00
Current tax expense (A)	(19,328.00)	1,221.00
Origination and reversal of temporary differences	(10,866.10)	8,120.97
Deferred tax expense (B)	(10,866.10)	8,120.97
Tax expense recognised in the current statement (A) + (B)	(30,194.10)	9,341.97

(b) Amounts recognised in Other Comprehensive Income

Particulars	For year ended 31.03.2018			For year ended 31.03.2017		
	Before tax	Tax(expense) benefit	Net of tax	Before tax	Tax(expense) benefit	Net of tax
Items that will not be reclassified to profit or loss: Remeasurements of the defined benefit plans	258.66	(90.39)	168.27	(3,113.70)	1,077.59	(2,036.11)
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-
	258.66	(90.39)	168.27	(3,113.70)	1,077.59	(2,036.11)

(b) Reconciliation of effective tax rate

Particulars	2017-18		2016-17	
	%	Rs. In lakhs	%	Rs. In lakhs
Profit before tax				
Tax using the Company's domestic tax rate		81,451.28		8,835.03
Increase in tax rate	34.61	28,188.66	21.34	3,057.63
Tax effect of:				
Non-deductible tax expenses				-
Tax-exempt income				-
Deduction u/s 80-IA				-
Others				-
	34.61	28,188.66	21.34	3,057.63

Note 32: Tax expense (continued)
(d) Movement in deferred tax balances

Particulars	(Rs. In Lakhs)						
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,52,751.54)	(9,305.06)	-	-	(2,62,056.59)		(2,62,056.59)
Loans and borrowings	(155.98)	(550.68)	-	-	(706.66)		(706.66)
Employee benefits	21,603.73	(1,087.77)	(90.39)	-	20,425.57	20,425.57	
Provisions	963.09	-	-	-	963.09	963.09	
Government grant	170.12	66.46	-	-	236.58	236.58	
Investment in government security	1,567.09	10.94	-	-	1,578.03	1,578.03	
Other items	7,778.41	-	-	-	7,778.41	7,778.41	
Tax assets (Liabilities)	(2,20,825.08)	(10,866.11)	(90.39)	-	(2,31,781.58)	30,981.67	(2,62,763.25)
Reversal of Opening DTL	3,499.92	-	-	-	3,499.92	3,499.92	
Tax assets (Liabilities) (Net)	(2,17,325.16)	(10,866.11)	(90.39)	-	(2,28,281.66)	34,481.59	(2,62,763.25)

(e) Movement in deferred tax balances

Particulars	(Rs. In Lakhs)						
	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,43,734.81)	(9,016.73)	-	-	(2,52,751.54)		(2,52,751.54)
Loans and borrowings	(189.07)	33.09	-	-	(155.98)		(155.98)
Employee benefits	20,852.85	750.89	-	-	21,603.74	21,603.74	
Provisions	50.68	912.40	-	-	963.08	963.08	
Government grant	102.27	67.85	-	-	170.12	170.12	
Investment in government security	1,357.98	209.11	-	-	1,567.09	1,567.09	
Other items	7,778.40	-	-	-	7,778.40	7,778.40	
Tax assets (Liabilities)	(2,13,781.70)	(7,043.39)	-	-	(2,20,825.09)	32,082.43	(2,52,907.52)
Reversal of Opening DTL	3,499.92	-	-	-	3,499.92	3,499.92	
Tax assets (Liabilities) (Net)	(2,10,281.78)	(7,043.39)	-	-	(2,17,325.17)	35,582.35	(2,52,907.52)

The company offsets tax assets and liabilities if and only if it has a legally enforceable to offset current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Note No. 33

The following table shows the carrying amounts of financial assets and Financial liabilities which are classified at amortised cost.

Particulars	31.03.2018			31-03-2017				
	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost
Non-current financial Assets								
Investments			55831.04				41,209.43	
Loans #			9496.84				23,644.86	
Current Financial assets								
Investments			6628.35				6,896.69	
Loans #			210.45				705.74	
Other Financial Assets #			2,303.28				2,835.55	
Total	-	-	74,469.97	-	-	-	75,292.27	-
Non current Financial Liabilities								
Borrowings #			5,44,421.65				5,77,217.35	
Other non current Financial Liabilities #			1,60,572.39				1,46,789.34	
Current Financial liabilities								
Borrowings #			1,02,787.18				1,64,604.07	
Trade Payables #			24,562.55				24,767.34	
Other Financial Liabilities #			32,290.80				73,776.13	
Total	-	-	8,64,634.56	-	-	-	9,87,154.23	-

#The above amounts are considered at cost

Trade receivables:

The Company works out the expected credit losses of trade receivables (which are considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables. The trade receivables refer to receivables against wheeling charges to MSEDCL, being fellow subsidiary and sovereign entity, no credit risk has been envisaged. The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

Particulars	31-03-2018		31-03-2017	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Past due 0-180 days	95,973.93		1,31,003.72	
Past due 180-360 days	1,875.37		1,15,537.34	
More than 360 days	1,38,408.68	12,470.78	21,392.00	2,636.39
Total	2,36,257.98	12,470.78	2,67,933.06	2,636.39

The movement in the allowance for expected credit loss in respect of trade receivables during the year was as follows:

	(Rs. In Lakhs)
Balance as at 01.04.2016	-
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
Balance as at 31.03.2017	-
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
Balance as at 31.03.2018	-

Cash and cash equivalents: (Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
	Cash and cash equivalents	9,202.08

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(I) Financing arrangements

The Company has an adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly approved by its shareholders and board. Domestic credit rating from reputed credit rating agencies enables access of funds from domestic market. It's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. MSETCL diversifies its capital structure with a mix of financing products across varying maturities and currencies. The financing products include, clean & secured domestic Term loans. These loans are taken from REC, PFC and banks.

(II) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual cash flows						(Rs. In Lakhs)
	31.03.2018		31.03.2017				
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years		
Non-derivative financial liabilities Borrowings	958	2,917	3,485	91,965	2,75,895	4,01,470	
Total	958	2,917	3,485	91,965	2,75,895	4,01,470	

Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk:

Currency risk:

Interest rate risk exposure:

	(Rs. In Lakhs)	
	31.03.2018	31.03.2017
	Carrying amount	
Fixed-rate instruments		
Financial assets	62,459.39	48,106.13
Financial liabilities	27,749.75	32,089.16
Variable-rate instruments		
Financial assets		
Financial liabilities	5,16,671.90	5,45,128.19

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	(Rs. In Lakhs)			
	Profit or loss		31.03.2017	
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2018			
Floating rate borrowings	1,291.68	(1,291.68)	1,362.82	(1,362.82)
Interest rate swaps (notional principal amount)				
Cash flow sensitivity (net)	1,291.68	(1,291.68)	1,362.82	(1,362.82)

Note 34 : Details of Associates

Name of Associate	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
			As at 31.03.2018	As at 31.03.2017
Equity Shares				
Jaigad Power Transco Ltd (JPTL)	Transmission of electricity	Mumbai	26%	26%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	38.14%	27.90%
Preference Shares				
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	100.00%	100.00%

Aggregate Summarised Financial Information of Associates that are not individually material (Rs. In Lakhs)

Associates	JPTL		MTCIL	
	2017-18	2016-17	2017-18	2016-17
Particulars				
Carrying amount of Investment in Equity Shares	3,575.00	3,575.00	614.82	522.37
Carrying amount of Investment in Preference Shares			522.37	0
Company's Share of Profit or Loss from Continuing Operations	697.32	729.75	(156.00)	(121.09)
Company's share of post-tax profit or loss from discontinued operations	-	-	-	-
Company's share in other comprehensive income	(0.01)	0.24	(152.41)	0.36
Company's share in Total comprehensive income	697.31	729.99	(308.41)	(120.73)

(Rs. In Lakhs)

Particulars	(Rs. In Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Aggregate carrying amount of the Company's interest in these Associates	4,712.19	4,097.37
Impairment of Goodwill/investments		
Carrying amount of the Company's interest in these Associates	4,712.19	4,097.37

Note 35: Assets hypothecated / pledged as security

The carrying amount of assets hypothecated/mortgaged as security for current and non-current borrowing are:

Particulars	(Rs. In Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Security created in respect of Non current Borrowings Property, plant and equipment excluding leasehold land	18,93,162.00	18,98,786.00
Security created in respect of Current Borrowings		
I) Inventories	1,40,000.00	60,000.00
ii) Trade receivables	-	-
Total assets as security	20,33,162.00	19,58,786.00

Note 36: Capital Management

The Company's objective is to maximize the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

Particulars	(Rs. In Lakhs)	
	31.03.2018	31.03.2017
Long term borrowings (Rs. Lakhs)	5,44,421.65	5,77,217.35
Equity share Capital (Rs. Lakhs)	8,98,497.47	8,98,497.47
Debt to Equity ratio	0.61	0.64

Note 37: Other Notes

37.1 Contingency Reserve and Special Reserve:

As per directions of MERC vide Order No. 31 of 2016 dated 7th July, 2016, the company for FY 2017-18 has appropriated an amount of Rs. 5,881 Lakhs (Previous Year Rs. 5,546 Lakhs) towards Contingency Reserve.

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

37.2 Secured Loans:-

Name of the Institution	Loan Secured By			Total
	Guarantee from State Government	Hypothecation against future assets	Mortgage against existing assets	
Rural Electrification Corporation	NIL	3,86,612.43	-	3,86,612.43
Power Finance Corporation	12	2,09,152.39	-	2,09,164.39
Union Bank of India	-	6,118.59	-	6,118.59
Bank of Baroda	-	5,940.78	-	5,940.78
Bank of India	-	2,699.46	-	2,699.46
Oriental Bank of Commerce	-	1,935.61	-	1,935.61

Repayment Schedule of Long Term Loan Liabilities

Particulars	Rural Electrification Corporation	Power Finance Corporation	Union Bank of India	Bank of Baroda	International Financial Corporation	Japan International Corporation Agency	Oriental Bank of Commerce	Bank of India
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan
Loan Amount	Up to Borrowing Limit	Up to Borrowing Limit	Rs 33570.00 Lakhs	Rs 26400.00 Lakhs	Rs 24460.00 Lakhs	Rs. 61849.00 Lakhs (16749 million Yen) (12070.58 MJPY)	27673.00 Lakhs	30000.00 Lakhs
Period (Term)	13 Years (3+10)	18 Years (3+15)	15 Years (2+13)	15 Years (2+13)	11 Years (3+8)	15 Years (5+10)	10 years	13 Years (3+10)
Moratorium Period	3 Years	3 Years	2 Years	2 Years	3 Years	5 Years	-	3 Years
Repayment	Repayment is ongoing	Repayment is ongoing	Repayment is Started	Repayment is Started	Pre-Payment	Repayment is Started	Repayment is Started	No start Repayment
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Debt Restructuring	Capex Funding
Rate of Interest (Floating)	10.66%	11.00%	8.90% p.a. With annually reset	08.85% p.a. With annually reset	10.57%	0.75%	8.90% With annually reset	8.93% With annually reset
Terms of Payment	Yearly	Quarterly	156 monthly installments	156 monthly installments	Semi Annually	Semi Annually	Quarterly & yearly	20 Half yearly
Upfront Fees	Upto 500 Cr- Nil Above 500 Cr-0.01 %of loan amount	Upto 500 Cr- Nil Above 500 Cr-0.01 %of loan amount	Nil	Nil	1% of the Loan Sanctioned	Nil	Nil	Nil
Commitment Charges	Upto 500 Cr- Nil Above 500 Cr-0.25% P A on undrawn Amount of Quarter till the Date of Actual Drawl	Upto 500 Cr- Nil Above 500 Cr-0.25% P A on undrawn Amount of the previous Quarter from the first day of following Date of Actual Drawl	Nil	Nil	0.50% of the undrawn amount of Loan has not been disbursed	Nil	Nil	Nil
Margin Money Requirement (Equity) From 01.04.2017	25.00%	25.00%	20.00%	20.00%	20.00%	VAT,CST/ED Paid by MSETCL	Nil	25.00%

Foreign Currency Loan

Loan Secured by	JICA (Rs.) in Lakhs	JICA (¥) in Million
Guarantee from Central Government	27,745.97	4,546-52

¥ Japanese Yen

- 37.3 In view of multiplicity and difficulty in identification of accounts relating to Micro, Small and Medium Enterprises, information with regard to amount unpaid at the year end together with interest paid/payable as required by MSEMED Acl 2006 is not disclosed.

Note 38: Contingent Liabilities (Ind AS 37) :

The Company has due process of assessing the impact of the pending litigation on its financial reporting.

Annexure-A

1 Amravati Zone

a 1210 EHV O&M Dn. Akola

Case No WP/715/06 for Discontinued from NMR Service High court in favour of Ex-NMR for Compensation hence Appeal in Supreme Court Delhi against Md Sadiq, Imdadul Haq in Supreme Court Delhi amount involved Rs 70 Lakhs. Case not yet started.

Case no W.C.A.10/2015 in High Court Aurangabad for compensation for Late Husband who died on duty by Sou.Rekha S.Dikondwai & other one Latur amount involved Rs 34.90 Lakhs. Amount deposited in court Rs 7.78 Lakhs

b 1620 EHV Const Div.Amravati

In the matter of Arbitration and conciliation act 1996 for grant of interim injunction against M/S H.T.Associates proceeding started before Hon'ble Arbitrator, Nagpur amount involved is Rs 57.73 Lakhs

2 Aurangabad Zone

a 2100 : O&M Circle, Aurangabad

Application for grant of Higher Grade Benefit on 3rd occasion to Ex Emp (Shri Vishnukumar D Mukkirwar, Dy Manager(F&A)) is pending against SE, EHV O&M Circle Aurangabad before Aurangabad Bench of Bombay High Court vide WP No. 2873/2015 Dt 12.03.2015. As there is no Financial Implication or Loss to the Company because the Employee's claim is not valid & not tenable as per MSETCL Circulars & Service Regulation.

b 2710 : CCCM Dn. Aurangabad

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

The contractor failed to execute the assignment as per terms and conditions of the Contract; hence its payment was withheld. The Contractor opted to resolve dispute with then MSEB through arbitration. Sole Arbitrator, Mr. M. D. Tambekar declared to pay Rs. 33.37 Lakhs (matter-1) and Rs. 11.96 Lakhs (matter- II) to Contractor and interest @15% per annum thereon. The company after taking legal opinion, has filed appeal in the Hon. High Court, Bombay (Bench at Aurangabad), against the award declared by the sole arbitrator.

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

Further, summons from Hon. High court Mumbai, Aurangabad bench for arbitration appeal No.8/2010 & 7/2010 scheduled at 16/07/2010. The judgement was given by the Hon'ble High Court Mumbai Bench Aurangabad on dated 25/04/2011 & referred the matter to the sole Arbitrator, But MSETCL opted to file SLP against the order. Now special leave petition vide SLP No. 15457/2011 dated 09/5/2011 (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-II) granted stay and SLP No.15309/2011 dated 06/05/2011 (Matter-II) the amount involved is small, the SLP is dismissed and again referred the matter to the sole arbitrator.

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

c 2610 : EHV Division Project, Aurangabad

MSETCL has filed 6 Nos Special Leave Petitions in Apex court against the land compensation order passed by District Collector, Abad & MERC decision on revision petition. Collector orders for compensation are not as per the Govt Resolution dated 01.11.2010. 6 Nos Writ petitions were filed before Hon. High Court A'bad & same are dismissed by the High Court Abad stating that the remedy of appeal available to the applicant. Rs, 139 Lakhs equivalent in the order amount passed by the District Collector, Aurangabad was deposited by MSETCL to the High Court, Aurangabad. Matter is under process at Apex court.

d 2610: EHV Project Division, Aurangabad

District Collector, Jalna has passed an order for land compensation in r/o Shri. Sandeep A. Sawande & others involved in 132kV Jalna - Jafrabad line which was commissioned long back before the provision of GR for land compensation & also the area considered for calculation of land compensation is non factual. Hence, this office appealed before District Court, Jalna for cancellation of compensation. Due to non receipt of any decision from District Collector, Jalna, MSETCL has approached to the court as per the directives from CLA, Mumbai.

e 2630:- EHV Projects Division, Nanded

Case filed Dadarao Pungal & 15 Other-The cultivator namely Shri Dadarao Purbhaji Mungal & 15 Others had filed petition againsts land compensation for old transmission line namely 132Kv Nanded-Umari line 132Kv Kurunda -Hingoli line which were commissioned in 1998 & 1989 respectively, But the said cultivators are demanding for land compensation as per GR Energy-4date,01/11/2010 for tower occupied land,hence they have cliamed of compensation in Rs. 20 Lakhs in court of Hon.District Magistrate, Nanded for final hearing was also conducted by hon DM ,Nanded and final decision is awaited. Hence the liability may comes to Rs.20 Lakhs

3 Karad Zone

a 3700 : EHV CCCM Circle, Kolhapur Petition No. 39/2017

Agency Name : M/S Lustre Engineering Corporation, Navi Mumbai

At : Joint Director of Industries Kokan Region, Thane under MSMED Act, 2006

Work : Replacement of existing Transformers by higher Capacity funded JICA under Sangli & Satara District .(Package15B)

W.O.No.CE/EHVCCO&M/ZONE/KRD/440 Dt.05.02.2010

Claims for Interest on delayed payment of R.A. Bill (Civil+Electrical) and Retention amount of Re.76.63 Lakhs as on 14.02.2018

b 3230 : 400 KV R S Division Talandage

Case pertaining to Grampanchyat Talandage Tal-Hatkangale Dist Kolhapur before BDO Hatkangale amounting to Rs. 124 Lakhs.

4 Nagpur Zone

a 4210 : EHV (O&M) Div Ballarshah case No 172/13

Truck Accident case of EHV (O&M) Div Ballarshah vs Smt Malan w/o Ramu Alam before motor accident tribunal chandrapur, in this case amount involved of Rs. 20.11 Lakhs and tribunal has grant immediate compulsory relief of "No Fault Liability" claim of Rs.50.000/- to the applicants/claimants and final decision of court is awaited.

b 4710 : CCCM Dn. Nagpur Case No. 42/2003

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

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

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

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

The case is disposed off by the High Court of Mumbai and has refered 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.

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

c 4310 : HVDC TL O&M Division, Chandrapur Case No.410 dt. 27.04.1993

I) M/s. Ganesh Engg. Company, Nagpur has filed a suit in Nagpur District Court, claiming dues of Rs. 80.95 Lakhs against tender No.T-13, T-16, T-17 & two work orders issued in the year 1987-88 for the sub setting & erection of 400KV Chandrapur-Parli D. C. Line. Counter claim of Rs. 3.08 Lakhs was filed by erstwhile MSEP against above agency towards recovery of charges of T&P, Material, Vehicle etc. Hon. Court has decided the aforesaid matter in favour of M/s. Ganesh Engg. Co. and directed to pay the claim Rs. 80.95 Lakhs alongwith interest @ 6% from the date of filing of suit (27.04.1993) till the scheduled date of deposit (20.08.2009) which totally amounts to Rs. 160.35 Lakhs. The Counter claim was dismissed by the court. However, on application of MSETCL, Hon.High Court, Nagpur Bench granted stay on decree after deposit of Re. 160.35 Lakhs in the Court. Accordingly MSETCL has deposited Rs. 160.35 Lakhs in the High Court, Nagpur bench

M/s. Ganesh Engg. Company, Nagpur has requested Hon. High Court to give decision at the earliest, however, Hon, Court rejected the plea of M/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 within 3 weeks from Dt. 11/02/2014. The contingent liability in this case may amount to Rs. 160.35 Lakhs .

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

d 4710 : CCCM Dn.Nagpur Case Dated 03.03.2014

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

5 Nashik Zone

a 5620 : EHV Project Division Jalgaon 60/95 FA 687/2001 dt. 23-06-1995

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

The Jalgaon Court on 23.03.2001 passed the order against erstwhile MSEP to pay Rs. 6.95 Lakhs to the contractor towards final bill after recovering Rs.10,354 from the petitioner which is due to MSETCL & Rs. 1.54 Lakhs against supply of water cost, risk. The MSEP had deposited Rs. 5.32 Lakhs in the court by deducting the abovementioned amount. After receipt of certified copy of the judgement, the MSEP appealed in High Court of Mumbai Bench at Aurangabad on 03.03.2002 against the decision of Hon Senior division Court Jalgaon At present Hon' High Court Bench Aurangabad transferred to Dist. Court Jalgaon on did 08.02.2012. Now the case is still pending at Dist. Court Jalgaon. The contingent liability may amount to Rs 5.32 Lakhs.

b 5720 . CCCM.Dn.Jalgaon Special Darkhast No. 03/2013 dt. 11.09.2013

Award towards additional land compensation declared on 5.11.2011 by Shri J. M. Phadke, Sole Arbitrator, Pune is challenged in court of Law at Dhule & now at Jalgaon in Sep-2013. Contractor M/s Varsha Constn. Co. Dhule. The liability may come to Rs 15.54 Lakhs

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

Regarding decision of Commissioner Nasik for payment of Royalty charges to Shri Babulal Shaligram Bhartia, Dhule , in respect of 220KV Amalner sub-stn. Dist. Jalgaon. Royalty charges for Hard Murum (used for Land Development work) extracted from Sub-stn premises for Cutting & Filling so as to bring both surfaces in one Level. The liability may be of Rs. 12.77 Lakhs. Hearing is done on 18-12-2017 in front of Collector Jalgaon & Order is awaiting.

6 Pune Zone

a 6100 : EHV O&M Circle, Pune

Name of Court -Labour Court,PMT BUILDING NO.1,FIRST FLOOR, SWARGATE, PUNE Case against-Shri. Milind Madhukar Wagh, This case is transferred to Hon. Civil Court Pune. Amount involved is Rs.12/- Lakhs and amount deposited in court Rs.10.69/- Lakhs

b 6130 : 400KV RS Division, Lonikand

The case is regarding excess Grampanchayat Tax levied by Gramparchayat, Vadhu Budruk. Rs. 83.61 Lakhs deposited on 25.01.2018. Amount involved Rs. 83.61 Lakhs. Name of Court where suit was file - Bombay High Court

c 6210 : EHV O&M Division, Solapur

The case is against - Sarpanch Grampanchyat, Malinagar. Amount involved is Rs.17.24 Lakhs. Name of Court where suit was file-District Court I.

d 6700: EHV CCCM Circle, Pune

Shri. S R Bansal, the then SE (Civil) has been imposed with the punishment of "Removal from Services wef 25.10.2011, Shri. Bansal has been paid 1/3 rd of Gratuity Advance as per prevailing rules and he was suspended on 21.01.2010 due to red handed caught by ACB trap. Shri. Bansal has been charged with two cases viz. An ACB Trap case and Disproportionate Property case and the proceedings for both the cases are still going on and the decisions are awaited. The approximate amount of final Gratuity Rs.8.17 Lakhs and final leave encashment is Rs 8.63 Lakhs Total Amount involved is Rs.16.80/- Lakhs

e 6720: EHV CCCM Division, Pune

The case is against M/s R.R.Kapoor. Arbitration case is in process. Amount involved is Rs.109/- Lakhs

7 Vashi Zone

a 7100: EHV O&M Circle, Kalwa

Petition No- 41/2017 in r/o Luster Engineering Corporation for interest on delay payment. Amount involved Rs. 4.61 Lakhs

b 7210 : EHV (O&M) Division Panvel

Court Case Number-No. 178/09, Suit No. 178/2009. M.A.Segar Vs EHV (O&M) Division Panvel. This case is about accident of hired vehicle (Indica Car) No.MH 14 BA 181 at EHV (O&M) DN.Panvel.(Motisingh Haanumansingh Seger). Amount involved Rs. 2.47 Lakhs.

c 7630: EHV Project Division, Kalwa case no. 66/2017 and case no. 37/2017

M/s Lustre Engineering corporation awarded work contract of shifting of 220kv Kalwa- Mulund-II & Mulund- Trombay line in MCGM area of Kanjur Landfill on dated 14.02.2013. Agency had stopped work since 26.10.2016 and claiming idling charges for the time taken for approval of the extra item proposal by MSETCL. Agency has filed an arbitration petition no, 66/2017 in the Hon. High Court, Bombay dt. 03.04.2017, Amount involved in case is Rs 2,999.29 Lakhs current status: Agency submitted statement of claim on 11.01 .2018 before the sole Arbitrator Retd. Justice Shri Anand V. Nrigude to. which MSETCL submitted its statement of defence on 27.02.2018. now the dispute is at the stage of framing the issues which shall be done on 11.06.2018. Also Agency has filed a petition no. 37/2017 in Micro & Small Enterprises Facilitation Council, Wagale Estate, Thane for claim of retention Money of Rs. 85.22 Lakhs which is not paid by MSETCL and interest thereon @ 41.1%(approx) of Rs. 27.25 Lakhs.

d 7630 EHV Project Division, Kalwa case no. 36/2017

M/s Lustre Engineering corporation awarded work contract of Augmentation work at 220KV Nerul S/S by 50MVA, 220/33-22KVTransformer on dt 24.09.2010. Agency has filed petition no. 36/2017 in the Hon'ble Director Micro and Small Enterprises Facilitation Council, Konkan Division; Thane for Interest on Late payment of Bills. Amount involve in case is Rs. 46.28 Lakhs.

e 7710 : CCCM Dn. Airoli Case No. 398 of 2008

The contract of construction of Chief Engineers Bunglow & Class I Jr. at Sector-19, Vashi, Navi Mumbai was awarded , to M/s. D. S. Construction, Ulhasnagar by the Suprintending Engineer (Civil) CCCM Circle, Kalyan MSEB (Now MSEDCL) 7th & final bill was not acceptable, hence the dispute was placed before Arbitral Tribunal. The arbitration tribunal finally awarded total amount of Rs. 41.59 Lakhs against various claims of the agency. Hence, Arbitration Petition No. 398/2008 in Bombay High Court. The liability may comes to Rs. 75.50 Lakhs

f 7710 : CCCM Dn. Airoli

Land dispute with M/s Yogeshwar Developers. Case is with Civil Court, Vasai. No Financial Liability involved.

g 7110 : Bhandup Division

Received the Property Tax demand notice for Sonkhar substation in the month of November 2015 for 6 years. The total amount demanded by the department of Navi Mumbai Municipal Corporation is Rs. 6388 Lakhs. The Executive Engineer of the respective division has visited the NMMC's department for the discussion of this issue, based on which they have confirmed that this demand may come below 50% of the total notice Value. Amount involved of Rs.1318 Lakhs.

h 7720 : CCCM Dn. Panvel

100kv Nerul S/stn. Acquisition of land (Existing 220kv Nerul S/s) Amount shown is Approximate figure. Rs 10.00 Lakhs. The agreement is yet to be executed, which is pending due to dispute between CIDCO & MSETCL regarding D.P.C. and area of plot in possession. The matter is referred to the marketing Manager -I, CIDCO. Letter no 249 dtd. 27.07.2010 from the Dy.EE(Civil), EHV CCCM S/dn. Kharghar.

I 7720 : CCCM Dn. Panvel Case no 175/2014_Smt. Godavari Shantaram Shahane and others

Case no 175/2014_ Smt . Godavari Shantaram Shahane and others:

The land admeasuring 331sqm (S.No.27a/8a) of village Shil. Tal. Khalapur was utilised previously for water supply arrangement for 100kv khopoli s/s . The Sathe karar was executed in year 1971.Now Smt. Shahane (present Owner) had filed regular Civil suit no 91/2008 for cancellation of agreement(Sathe Karar) for sale and permanent injection. The Jt.Civil Judge Junior Division Khalapur had dismissed the case. Now the plaintiff has filed Civil appeal No.175/2014 in District Court Alibag amount involve Rs. 10 Lakhs

8 SLDC Zone

a 8000 : SLDC, Kalwa

Court Case no-A NO. 122 OF 2015 IN-MSLDC appealed against the CERC order in case 008/SM/2014; One lakh penalty imposed on SLDC for non-compliance of directions issued by RLDC (Adv M Y Deshmukh).

b 8000 : SLDC, Kalwa

MSLDC's Civil Appeal in SC 2902 of 2014 - MSLDC's appeal against APTEL's order in case 175.Appeal filed on 9 Dec 2013. Adv M Y Deshmukh is appointed for it. SC stayed Rs 1 lakh cost to be paid as donation to the NGO. (Adv M Y Deshmukh).

All Zone Land Compensation, Crop Compensation and ROW Cases pending F.Y 2017-18.

Annexure - B

The information regarding contingent liabilities pending as on 31.03.2018.

1) Amravati Zone

(Rs.in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1	1210	EHV O&M Dn Akola	Civil Court	Pushplata A.Aware Akola	8.26	2.25
2	1620	EHV Const. Div. Amravati	Civil Court (Lower)Pusad	EE MSETCL Amravati V/S Kausar Khan Akthar Khan Pusad	2.72	-
8	1620	EHV Const. Div. Amravati	Civil Court,Yavatmal	Mohmmad Aslam, PO-Yavatmal.	1.50	-
9	1710	EHV CCCM Div. Amravati	C.J.S.D. Darwha	Shri Uttamrao Raut Land owner	27.44	-
10	1710	EHV CCCM Div. Amravati	District & Session Judge Yavatmal	M/s AKD Associates Nagpur	5.81	-
11	1710	EHV CCCM Div. Amravati	Adhoc D.J. 2 Amravati (Judge-P.R. Modak)	M/s A.K.D. Associate Nagpur	2.86	-

2) Auragabad Zone

1	2000	EHV Projects Cum O&M Zone Aurangabad	High Court of Judicature At Bombay, Bench At Aurangabad	The Chief Engineer, EHV PC O&M Zone, Aurangabad	2.40	-
2	2000	EHV Projects Cum O&M Zone Aurangabad	High Court of Judicature At Bombay, Bench At Aurangabad	The Chief Engineer, EHV PC O&M. Zone, Aurangabad	1.90	-
3	2100	EHV Projects Cum O&M Zone Aurangabad	Hon. High Court, Mumbai, Aurangabad Bench	SE EHV O&M Circle Aurangabad		As there is no Financial Implication or Loss to the Company because the Employee's claim is not valid & not tenable as per MSETCL's Circulars & Service Regulation
4	2610	EHV Project. Divn. Aurangabad	High Court of Bombay Bench at Aurangabad	Nandu Bala Rathod & others	8.29	8.29
5	2610	EHV Project. Divn. Aurangabad	High Court, Aurangabad	Arunabai Shivsigh Pardesi Vs State of Maharashtra	-	-
6	2610	EHV Project. Divn. Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Kisanlala Bramhanath & 11 others	139.00.	-
7	2610	EHV Project. Divn. Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Babu R. Chavan & 7 others	-	-
8	2610	EHV Project. Divn. Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Ambadas Dhavle & 56 others	-	-
9	2610	EHV Project. Divn. Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Kalash Bala Bodkhe & 5 others	-	-
10	2610	EHV Project. Divn. Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Dhansingh P. Rathod & 249 others	-	-
11	2610	EHV Project. Divn. Aurangabad	Hon. Supreme Court of India	District Collector, Abed, Shankar K. Rathod & 14 others	-	-
12	2610	EHV Project. Divn. Aurangabad	High Court of Aurangabad	District Collector, Abad, Ramkisan A. Jinwl & 13 others	-	-

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
13	2610	EHV Project. Divn. Aurangabad	District Court Aurangabad	Chainsingh A. Jonwal	2.00	-
14	2610	EHV Project. Divn. Aurangabad	Hon. High Court of Bombay Bench at	MSETCL Vs Chainsingh Asaram Jonwal	2.00	-
15	2610	EHV Project. Divn. Aurangabad	District Court, Jalna	Sandeep A. Sawade & others	12.00	-
16	2620	EHV Project On. Latur	High Court Aurangabad	Rukhminibai Sanjeevanrao Deshmukh died thru LRSSS Deshmukh & Others	184.60	90.00
17	2630	EHV Construction Division Nanded	District Magistrate Nanded	Shankar Laxman Dhange & Other 19	10.00	-
18	2630	EHV Construction Division Nanded	District Magistrate Nanded	Vimal Balaji Puyad	1.91	-
19	2630	EHV Construction Division Nanded	District Magistrate Nanded	Shri Dadarao Purbhaji Mungal & 15 Other	20.00	-
20	2630	EHV Construction Division Nanded	District Magistrate Parbhani	Chander P. Kasture & Others i/r of 400KV Chandrapur - Parli line.	10.00	-
21	2630	EHV Construction Division Nanded	High Court Aurangabad	Shri. Pravin Nagnathrao Paldewar.	10.00	-
22	2710	EHV CCCM Division Aurangabad	Hon'ble Supreme Court New Delhi	M/s Balraje Construction, Georai, Dist. Beed	89.52	13.07
23	2720	EHV CCCM Division Parbhani	Hon. High Court bench Aurangabad	Shri. . Namdev Ramp Gudetwar r/o Himayatnagar Dist. Nanded. V/S	20.06	-
24	2720	EHV CCCM Division Parbhani	Hon. C.J.S.D . Court Gangakhed.	Anantrao K Ambekar Through LRS Smt. Ushatai A Ambekar & others	1.20	-
25	2720	EHV CCCM Division Parbhani	Hon. HC Aurangabad	Smt. Budhabai Balaji Hamad R/o Kumdalwadi	1.57	0.75
26	2720	EHV CCCM Division Parbhani	Hon. High Court bench Aurangabad	Smt. Punjabai Dhondiba Madane r/o Umri	7.99	8.20
27	2720	EHV CCCM Division Parbhani	IN THE Court OF H'BLE CIVIL JUDGE SR. DN. AT. NANDED	1) Namdev S/o. Ramji Gudetwar 2) Narayan S/o. Ramji Gudetwar 2/1) Smt. Shantabai Narayanrao Gudetwar 2/2) udarshan S/o. Narayanrao Gudetwar 2/3) Gajanan S/o. Narayanrao Gudetwar	1.71	-
28	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	Veermath Sansthan Trust. Ahmedpur Dist. Latur	107.00	10.80
29	2730	EHV CCCM Division Latur	Dist. Court Osmanabad	Smt. Pushpabai Vijaysingh Rajee	25.00	-
30	2730	EHV CCCM Division Latur	Hon. Supreme Court, Delhi.	Rajendra N Gaiwad, Beed	79.26	-
31	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	1) Haidarsab S/o Kasimsab Shaikh 2) Husensab S/o Haidarsab Shaikh 3) Abdulrhemam S/o Haidarsab Shaikh 4) Amir S/o Haidarsab Shaikh	1,072.00	100.00
32	2730	EHV CCCM Division Latur	Dist. Court Latur	Sambappa Shankarappa Raut & others	125.00	-
33	2730	EHV CCCM Division Latur	CJSD Nilanga	Smt. Kamlabai Govindrao Patil	43.07	43.07
34	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	Veermath Sansthan Trust. Ahmedpur Dist. Latur	6.69	-
35	2730	EHV CCCM Division Latur	Dist Court Osmanabad	Shri. Gulam Mohuddin Imam Saheb & others	3.49	-
36	2730	EHV CCCM Division Latur	District Court Ambejogai	Chadrashekhar S/O Sadashiv Dhabikar	80.25	-

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
3) Karad Zone						
1	3610	Kolhapur	Higher Court, Kolhapur	M/s.Banchode Constn.Kolhapur	27.00	-
4) Nagpur Zone						
1	4610	EHV Const. Dn-I,Nagpur	High Court Bombay at Bench Nagpur	Snit. Kalpana Jain (Ravindra Rukhabdas Jain Gahankari) Vs. MSEB	24.52	4.84
2	4610	EHV Const. Dn-I,Nagpur	Distt Court Chandrapur MSETCL	Shri. Manohar Shantalwar Vs. MSETCL	0.76	-
3	4610	EHV Const. Dn-I,Nagpur	District Judge-7, Naqpur	Shii Bhudev C. Wandhe	220.00	-
4	4610	EHV Const. Dn-I,Nagpur	District Judge Naqpur	Shri Devanad Dattuji Awale	300.00	-
5	4610	EHV Const. Dn-I,Nagpur	District Judge Naqpur	Smt Anusabai Dattuji Awale	750.00	-
6	4610	EHV Const. Dn-I,Nagpur	Distt. Judge, Wardha	Shri Ashok Shyamsunder Agarwal & 02 others	395.65	-
7	4610	EHV Const. Dn-I,Nagpur	District Court Civil,Nagpur	Shri Harish Daulatrao Ramteke	800.00	-
8	4610	EHV Const. Dn-I,Nagpur	District Judge No 3,Naqpur	Smt Sunanda Dhanraj Bhalerao	400.00	-
9	4610	EHV Const. Dn-I,Nagpur	High Court Nagpur Bench	Shri.Ramchandra Jagannath Kulkarni & others	70.37	-
10	4610	EHV Const. Dn-I,Nagpur	High Court Nagpur Bench	Shri Pandurang Haridas Kite & others	2.00	2.00
11	4610	EHV Const. Dn-I,Nagpur	Distt. Judge, Wardha	Shri Mohan Barole	5.04	-
12	4610	EHV Const. Dn-I,Nagpur	Distt. Judge, Wardha	Mrs. Chandrakala Mohan Barole	42.75	-
13	4610	EHV Const. Dn-Nagpur	District Judge 17, Suyog Building, Nagpur	Shri. Ghanshyam Umraoji Bhalerao	800.00	-
14	4630	EHV Projects Dn-Chandrapur	District Judge-1 Warora	Shri Mahadeo Jivtode	90.00	-
15	4630	EHV Projects Dn-Chandrapur	District Judge-1 Warora	Sau.Kalpana Mahadeo Jivtode		
16	4630	EHV Projects Dn-Chandrapur	District Judge-1 Warora	Sau.Suman Maroti Jivtode	60.00	-
17	4630	EHV Projects Dn-Chandrapur	District Judge-1 Wardha	Sau. Kalpana Eknath Kapse	27.99	-
18	4630	EHV Projects Dn-Chandrapur	Collector Chandrapur	Shri. Chandran Kuttapan Eidu Ezshava	15.00	-
19	4210	Ex. Engineer EHV O&M Division, ballarshah	Labour Court, Chandrapur	Shri M.H. Kawade, Ex.Sr.optr	0.60	-
20	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc Distt. Judge. Nagpur	Maharashtra State Textile Corporation V/S MSETCL Compensation of amount under award date 14.06.2000 in respect of land at Jattarodi	615.00	-
21	4710	EHV CCCM DIVISION, NAGPUR	CivilJudge Sr Dn. Nagpur	M/s Vijay Wargi & Sons V/S MSETCL-Claim for 220KV S/stn Umred	26.53	-
22	4710,	EHV CCCM DIVISION, NAGPUR	5th Jt Civil Judge Sr Dn Nagpur	Shriram Trading CD. Case filed against award of arbitrator	2.67	-
23	4710	EHV CCCM DIVISION, NAGPUR	6th Jt.Civil Judge Jr Dn Nagpur	Lucky construction V/S MSETCL Case filed for non-handing over of complete site.- Jat-Tarodi	2.63	-
24	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc. Distt. Judge, Nagpur Nagpur	Rajan Nagpal, Nagpur V/s MSETCL/ GOM/Sp.LAO,Nagpur. Land case at Yenva(katol)	0.12	-

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
25	4710	EHV CCCM DIVISION, NAGPUR	9th Jt Civil Judge Si Dn Nagpur	Sudhir Sahani V/S MSETCL claim for final bill amount in respect of gantry, equipment foundations at sindewahi	19.27	-
26	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc, Dist. Judge, Nagpur Nagpur	Ajay Akhand, Fetri, Ashok Gormade, Chicholi, Nagpur V/s. MSETCUGOM/ Sp.LAO, Nagpur Land Case at Yenwa (Katol)	0.22	-
27	4720	Office of the Executive Enginneeer (Civil) EHV CCCM Division, MSETCL Chandrapur	Court of Sub-Divisional Officer Hinganghat	MSETCL VS Tahasildar Samudrapur	15.55	5.51
28	4720	Office of the Executive Enginneeer (Civil) EHV CCCM Division, MSETCL Chandrapur	Civil Judge Senior Division Warora	Maharashtra case & other VS Dadaji Thengane & Others	5.18	-
29	4720	Office of the Executive Enginneeer (Civil) EHV CCCM Division, MSETCL Chandrapur	No case filed in Court, discussed on local level	MSETCL vs Grampanchayat Tulana	88.00	-
30	4720	Office of the Executive Enginneeer (Civil) EHV CCCM Division, MSETCL Chandrapur	Appeal lobe made in the Court of Hon'ble SDO Warora	MSETCL VS Tahasildar Warora	-	2.89
5) Nasik Zone						
1	5610	EHV Project Division Nashik	District Court Nashik	Shri Jagannath Raghunath Dhikale	2.27	-
2	5610	EHV Project Division Nashik	Civil Court, Kopargaon	Shri Shankar Namdev Aher	15.60	-
3	5610	EHV Project Division Nashik	District Court, Ahmednagar	Smt. Jijabai Ramdas Nawale	9.03	-
4	5610	EHV Project Division Nashik	Civil Court, Kopargaon	Karnalabai Yadav Nibe	20.00	-
5	5620	EHV Project Division Jalgaon	Hon. Senior Divisional Court Jalgaon	MS. M. R. Mistry Construction Ltd. Dhule	9.25	5.32
6	5620	EHV Project Division Jalgaon	District Court Jalgaon	Shri Kishor Zope & Others	105.00	-
7	5710	EHV CCCM Dn. Nashik	HIGH Court, Bench, Aurangabad	Mr.R. C. Nawandar & others	79.71	79.71
8	5710	EHV CCCM Dn. Nashik	HIGH Court, Bench, Aurangabad	Heirs of Late Bahiru Raghinath Gunjal	9.06	14.12
9	5710	EHV CCCM Division Nasik.	High Court Mumbai Bench Aurangabad	Mr.R. C. Nawandar & others 5	84.69	84.69
10	5710	EHV CCCM Division Nasik.	Bombay High Court	Shubhashani Construction, Nashik & others 7	106.00	87.85
11	5710	EHV CCCM Division Nasik.	High Court Mumbai.	Shri N.S. Suryawanshi & 21 Others	45.58	-
12	5710	EHV CCCM Division Nasik.	High Court, Bench, Aurangabad	Mr. B. R. Gunjal & Ors. 7 Nominees	27.65	27.65
13	5710	EHV CCCM Division Nasik.	High Court, Bench, Aurangabad Dt.1.07.2009	Mr. S. R. Wani & Ors.6 Shevgaon, Dist. Nagar.	64.35	27.70
14	5710	EHV CCCM Division Nasik.	Section Court, Malegaon	Shri. P. V. Patankar & other	6.85	-

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
15	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri R C Agrawal , Chopada	39.52	17.76
16	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri K B Chavan , Chopada	14.52	6.51
17	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri P N Patil & 03 others, Shahada.	10.25	9.97
18	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri R G Patil & C G Patil Shahada	75.95	-
19	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Smt Kalabai Khandu Patil, Parola	8.35	8.35
20	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri Prakash S Patil, Parola	18.23	18.23
21	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri Rama Shripat Patil, Parola	12.22	12.22
22	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri Daga Shripat Patil, Parola	14.35	14.35
23	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Smt Parvatabai Rajaram Mahajan , Raver	75.00	-
24	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Mohd. Ali Hussain Ali , Chopada	84.14	21.04
25	5720	EHV CCCM Dn Jalgaon	CivilJudge JD Sakri Dist. Dhule	Smt Sindhubai V Patil & others	10.00	-
26	5720	EHV CCCM Dn Jalgaon	CivilJudge JD Chalisgaon Dist. Jalgaon	Abdul Rehman Abdul Khatik , Chalisgaon	80.00	-
27	5720	EHV CCCM Dn Jalgaon	2nd Jt.CivilJudge SD Dhule Dist. Dhule	Mohanlal Shaligram Bhartia, Dhule	10.00	-
28	5720	EHV CCCM Dn Jalgaon	2nd Jt.CivilJudge SD Dhule Dist. Dhule	Mohanlal Shaligram Bhartia, Dhule	12.00	-
6) PuneZone						
1	6200	EHV O&M Cir.Solapur	Industrial Court, Solapur	CMD/ T N Bhimale	0.75	-
2	6210	EHV O&M Dn.Solapur	Civil Court Solapur	EE EHV SolapurV.D.Somvashi	3.50	3.50
3	6210	EHV (O&M) O&M Dn Solapur	District Court -I Malshiras	Sarpanch Grampanchyat, Malinagar	17.24	-
4	6210	EHV (O&M) O&M Dn Solapur	Civil Court , Barshi	Sidhhanath Developer, pune		
5	6230	EHV O&M Div Baramati	District Court Bramati	Shri.Anna Kondiba Bendre	10.50	-
6	6610	EHV Proj.Dn.1 Pune	CivilJudge Jr.Dn.at Bramati	Shahnaj Jafer Mulani	30.00	-
7	6630	EHV Projects DIV. III Solapur	District & Session Court	Vijaykumar Jadhav	225,00	-
8	6710	EHV CCCM Dn Solapur	District Court Solapur	Sou. Sulochana P. Birajdar, Solapur.	10.00	-
9	6710	EHV CCCM Dn Solapur	High Court Mumbai.	Shirish Yashwant Bhatlawande	185.00	-
10	6710	EHV CCCM Dn Solapur	District Court Solapur	Altafi ustad & other	-	-
7) VashiZone						
1	7240	EHV O&M Dn Dombivali	Mumbai H/C	Smt Suman Namdeo Zalte & others V/S E.E.MSEB Mohone Dist Thane	1.18	-
2	7620	EHV Project Division, Kalyan	Civil Court palghar Tal : Palghar Dist. Palgharr	Chintaman Hiraji Patil	-	-
3	7620	EHV Project Division, Kalyan	Civil Court palghar Tal : Palghar Dist. Palgharr	Smt.Meenakshi Dinesh Naik	-	-

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
4	7620	EHV Project Division, Kalyan	Civil Court Bhivandi Tal:-Bhivandi Dist:-Thane	Sudasrhan Namdeo Kene Patil & others	-	-
5	7620	EHV Project Division, Kalyan	Civil Court Bhivandi Tal:-Bhivandi Dist:-Thane	Smt Varsha Vilas Patil. & Smt. Sarika Sandeep Bhagat	-	-
6	7620	EHV Project Division, Kalyan	Civil Court Bhivandi Tal:-Bhivandi Dist:-Thane	Abrar Ahmed Abdul Hannan Khan & Others	-	-
7	7620	EHV Project Division, Kalyan	Civil Court Kalyan Tal:-Kalyan Dist:-Thane	Ramesh D. shah	-	-
8) SLDC Zone						
		NIL				

Annexure - C

Details of Disputed dues of Income Tax as on 31.03.2018

Nature of Dues	Period (A.Y) to which amount relates	Forum where matter is pending	Amount Payable / Refundable / Adjustments
Employee State Insurance	Various Years from FY 1968-1996	Employee State Insurance Court, Pune	Amount of Rs 22 lakhs is pertaining to Pune Urban Zone of erstwhile MSEB regarding applicability of ESIC Scheme. The amount is pertaining to R.S O&M Division Pune transferred to Pune Urban Zone, MSEB. The ESIC authority appealed in 2006 in Mumbai High Court.
Fringe Benefit tax	2006-07	The Assistant Commissioner of Income-tax, Circle 14(2)(1)-Mumbai	A demand of Rs.17,57,875/- was raised by the income-tax department in terms of an Order dated 31 December 2008 passed under section 115WE (3) of the Income-tax Act,1961. A rectification application was preferred against the same-the same is pending with the Assessing Officer-after rectification of errors apparent on record viz., non credit of self-assessment tax paid and interest charged in excess under section115WJ(3) of the Income-tax Act,1961-no sum is payable by the Company.
Income-tax	2007-08	The Income-tax Appellate Tribunal	NIL
Fringe Benefit tax	2007-08	The Deputy Commissioner of Income-tax, Circle 14(2)(1)-Mumbai	A demand of Rs. 73,32,362/- also refer our emails dated 05 December 2017 and 28 September 2017.
Income-tax	2008-09	The Income-tax Appellate Tribunal (Departmental Appeal)	A demand of Rs.3,28,40,877/- (In terms of OGE dated 22 September 2011 an amount of Rs. 3,28,40,877/- is payable. Rectification Letter dated 01 February 2012 filed with the ACIT-10(1) against the same pointing out the errors apparent on record-1.Non granting of relief vis-a-vis the excess disallowance of depreciation to the tune of 28,11,46,639/-. After rectifying the errors amount refundable is Rs. 20,93,15,025/- However the same has not been acted upon.
Fringe Benefit tax	2008-09	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	A demand of Rs. 24,45,709/- also refer our emails dated 05 December 2017 and 28 September 2017.
Income-tax	2009-10	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 1,90,00,83,669/- raised in terms of the Order dated 30 March 2011 passed u/s. 144 r.w.s. 147 of the Income-tax Act, 1961. The matter has been heard by the CIT(A) and a remand report from the AO is awaited.
Fringe Benefit tax	2009-10	The Deputy Commissioner of Income-tax, Circle 14(2)(1) - Mumbai	A demand of Rs. 25,74,948/- also refer our emails dated 05 December 2017 and 28 September 2017.
Income-tax	2010-11	The Income-tax Appellate Tribunal	A demand of Rs. 35.19 Crs. (after adjustment of refund of Rs.18.53 crores of AY 2011-12). The CIT(A) vide his Order dated 10.02.2015 has allowed the appeal, however, an Order giving effect is, as yet, pending to be passed.
Income-tax	2010-11	Commissioner of Income - tax(Appeals) - 22 - Mumbai	A demand of Rs.3,10,34,590/-has been determined as payable in terms of an Order dated 21 December 2017 passed u/s. 143(3) r.w.s. 147 of the Income-tax Act, 1961.
Income-tax	2011-12	The Commissioner of Income-tax(Appeals) - 22, Mumbai	Amount of Rs. 18,53,09,560/- determined as refundable as per Assessment Order (adjusted against the demand for the AY2010-11).
Income-tax	2011-12	The Commissioner of Income-tax (Appeals) - 22, Mumbai	No demand has been determined as payable, however, an appeal is pending adjudication before the CIT(A) against the Order dated 21 December 2017 passed u.s. 143(3) r.w.s. 147 of the Income-tax Act 1961.
Income-tax	2012-13	The Assistant Commissioner of Income-tax, Circle 14(2)(1)-Mumbai	A demand of Rs. 3,11,05,282/- payable in terms of Order dated 31 March 2015 passed u/s. 143(3) of the Income-tax Act, 1961. The Commissioner of Income-tax (Appeals) - 22, Mumbai has fully allowed the appeal filed by the Company. Order giving effect to the CIT(A)'s Order is awaited and a request for same has already been made on 30 March 2017. Also in terms of an Order dated 04 December 2017 a sum of Rs. 4,48,120/- has been determined as payable to the Company

Nature of Dues	Period (A.Y) to which amount relates	Forum where matter is pending	Amount Payable / Refundable / Adjustments
Income-tax	2012-13	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 9,70,568/- has been determined as payable in terms of an Order dated 21 December 2017 passed u/s. 143(3) rws147 of the Income-tax Act 1961
Income-tax	2013-14	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs.9,36,86,930/-has been determined as payable in terms of Order dated 27 February 2017 passed u/s.154 of the Income-tax Act, 1961 - appeal has been filed with the CIT(A) which appeal is pending adjudication.
Income-tax	2014-15	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 1,75,24,46,620/- has been determined as payable in terms of Assessment Order dated 30 December2016 passed u/s. 143(3) of the Income-tax Act, 1961. The said Order has not been accepted as correct and binding and an appeal against the same has been filed to the CIT(A) - the said appeal is pending adjudication. However, in terms of the Order dated 04 December 2017 passed u/s. 154 of the Income-taxAct, 1961 a sum of Rs. 40,56,58,030/- has been determined as refundable to the Company

Note 39: Capital commitments

Capital Expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows:

(Rs. in Lakhs)

Particulars	31.03.2018	31.03.2017
Property, Plant and Equipment	1,00,354.30	23,943.75
Less: Capital Advances		(7,592.20)
Net Capital Commitments	1,00,354.30	16,351.55

Note 40:

Balances of Trade Receivables, Financial assets - Loans and advances are subject to confirmation and reconciliation if any. The Company is taking necessary steps for reconciliation and confirmation of the same.

Note 41:

The group Company's Receivables & Payables are subject to confirmation and reconciliation. These items inter alia includes an adjustments. It's long pending inter-unit advise payable balances of Rs 21183.49 lakhs(P.Y 21183.49 lakhs) (Receivables Rs 19679.53 lakhs and Payables Rs 40863.03 lakhs i.e Net payable Rs 21183.49 lakhs) pertaining to MSEDCL through the Receivable against Transmission Charges from MSEDCL.

Note 42:

In accordance with Ind AS 36 - Impairment of assets, impairment analysis of assets of Transmission activity of the Company by evaluation of its Cash Generating Units, was carried out by outside agency in the year 2006-07 and since recoverable was more than the carrying amount thereof, no impairment loss was recognised. In the current year, there is no indication of impairment which requires re-estimating the recoverable amount of the assets.

Note 43:

MSETCL is consistently following its accounting policy regarding recognition of other income on 'accrual basis except when ultimate realization of such income is uncertain' as mentioned in Note no. 2.12 which is in commensurate with applicable accounting standard. As such Delayed Payment Charges (DPC) being part of other income is recognized only to the extent of realized amount. Thus by adopting this policy the accounts of each financial years have been finalized on the basis of which Truing-up (Provisional / Final) is done by MERC as mentioned in clause 11.3 of MYT Regulations 2011 (applicable upto FY 2015-16).

MERC has done truing-up for every financial year based on the accounts and not adjusted the amount of Delayed Payment Charges upto truing up of FY 2014-15 as the same was not accounted for in the accounts. However, MERC while carrying out provisional true-up for FY 2015-16 has reduced ARR by Rs.85,499 lakhs towards Delayed Payment Charges related to the earlier financial years including FY 2015-16 which have been not accounted for in accounts as per accounting policy. Apart from this adjustment, MSETCL is entitled for its legitimate ARR of Rs.3,94,437 lakhs as is evident from MERC order dtd. 7th July 2016 in case no. 31 of 2016. To match with this entitled ARR accrued in FY 2016-17, MSETCL has accounted for Rs.85,499 lakhs as other income being shortfall in ARR which has resulted on account of adjustment towards DPC in FY 2016-17. Further, MSETCL has filed an appeal before APTEL against the order of MERC in case No 31 of 2016 vide Appeal No 67 of 2017.

Considering the above adjustment an amount of DPC accumulated as on 31st March 2018 Rs. 51,981.82 lakhs have not been booked as per consistent accounting policy followed.

Note 44:

Company is not required to make provision u/s 135 (Corporate Social Responsibility) of Company's Act 2013 in Current year as Average Net Profit calculated as per section 198 is negative.

Note 45:

Expenses identified pertaining to previous years to the tune of Rs 1,152.86 lakhs have been adjusted against the Provisions made in the previous years. Income to the tune of Rs 316.46 lakhs relating to previous period have been included in the respective heads of Current Year.

Note 46:

As per the directives of MERC, MSETCL. has to invest foreign exchange loss in securities authorized under Indian Trust Act, 1882 . Vide Order No 102 of 2011 , MERC is of the opinion that forex loss is notional in nature and may turn into income or expenses on accounts of currency fluctuation later on. Considering the above fact, MSETCL has taken a stand that 't will invest this amount before final true up of years in which the loss has been occurred. As on 31-03-2018, accumulated foreign exchange loss is Rs. 1,1267 lakhs against which MSETCL has invested an amount of Rs. 5,228 lakhs . There is a shortfall of Rs. 6,039 lakhs as on 31.03.2018. Since the Final true up of the year 2017-18 is pending, it is felt that shortfall in investment amount will be invested subsequently before true up. However MSETCL has invested an amount of Rs. 4,190 lakhs on 09.04.2018.

Note 47:

Previous year's figures have been regrouped wherever necessary for appropriate presentation of Financial Statements to comply with the provisions of Schedule III as per the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Maharashtra State Electricity Transmission Company Limited
Report on the Audit of the Consolidated Ind AS Financial Statements

1. We have audited the accompanying Consolidated Ind AS Financial Statements of Maharashtra State Electricity Transmission Company Limited ('the Company'), and its two Associates, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements" or "CFS").

Management's Responsibility for the Consolidated Ind AS Financial Statements.

2. The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("hereinafter referred to as the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including other comprehensive income), Consolidated statement of changes in equity and Consolidated cash flows of the Company including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
3. The respective Board of Directors of the Company and its Associate Companies included in the CFS are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Board of Directors of the Company as aforesaid.
4. In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the Company and its associates are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its Associates or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

5. Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

- 8 We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
9. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12(a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a reasonable basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Basis of Modified opinion

10. The following items in relation to the Company form the basis for our modified opinion:
 - 10.1 Attention is invited to note no. 43 of Consolidated Ind AS Financial Statements giving details about accumulated Delayed Payment Charges ('DPC') as at March 31, 2018 and recognition of income therefrom of Rs. 85,499 Lakhs (with reference to 3 distribution licensees) in the Previous Year under the head 'Other Income'. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC had reduced the ARR of the Company for F.Y. 2015-16 by the said amount of DPC Rs. 85,499 Lakhs, classifying it as 'Non-Tariff Income'. Data/ details pertaining to the certainty over the realizability of such income are not available with the Company. The accounting of such DPC as 'Other Income' is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in note No. 2.12 states that "Other Income is recognized on accrual basis except when ultimate realization of such income is uncertain". Had the Company not recognized such income of Rs. 85,499 Lakhs in the earlier year, its balance of the retained earnings in the Profit & Loss Account and balance of Trade Receivable Account would have been lesser by the said amount.
 - 10.2 Attention is invited to note no. 46 of Consolidated Ind AS Financial Statements pertaining to shortfall of investing in the securities stated under section 20 of Indian Trusts Act, 1882 as per the MERC regulation to cover Forex losses in the foreign exchange transactions.
 - 10.3 According to the MERC regulations, Contingency Reserve Fund ('CRF') and Special Reserve Fund ('SRF') are to be created and held by the Company supported by equivalent investments in the securities stated under section 20 of Indian Trusts Act, 1882. As at March 31, 2017 against the total of CRF and SRF of Rs. 42,375.00 Lakhs, the earmarked investments are observed to be short by Rs.15,207 Lakhs.
 - 10.4 In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipments ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC regulations. As a result, several instances of excess charging of depreciation on assets was observed. Further, in several instances, depreciation is manually worked out and provided at the Head office for assets located in Zone or Region for the reason of mis-matches in dates of capitalization, critical spare items capitalization etc. In absence of complete data/ details of such instances out of numerous line items of PPE, the combined impact of such erroneous depreciation has not been ascertained.
 - 10.5 Based on the scrutiny of available details of free hold land, it was noticed that in past several items of leased land have been clubbed under this head; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/ details of such instances, the impact thereof on Consolidated Ind AS Financial Statements has not been ascertained
 - 10.6 The policy about inventory valuation of the Company (Note No 2.11) states that inventories are valued at lower of cost or net realizable value ("NRV"). However, as observed in the course of audit, the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Consolidated Ind AS Financial Statements has not been ascertained.
 - 10.7 In course of inquiries made in terms of provisions of Section 143(1)(b) of the Act, the transactions totaling to Rs. 853.74 lakhs pertaining to obtaining of security deposits from the vendor/ contractors in the form of fixed deposits with Banks in the joint name of concerned vendor/ contractors and the company were noticed to be represented by mere book entries; prima facie, such transactions of recording the receipt of deposits as liabilities and fixed deposits with banks as assets did not appear to be prejudicial to the interest of the Company except for inaccurate recording of interest on such Bank fixed deposits and tax deducted by banks thereon.

- 10.8 No inventory or data/ details/ description/ageing could be furnished for verification for the "Assets not in use — held for sale" amounting to Rs. 3,503.25 Lakhs; moreover, such assets are held at their carrying value instead of at lower of carrying value or net realizable value. The impact, if any, thereof on Consolidated Ind AS Financial Statements has not been ascertained.
- 10.9 The deposits from Vendors/ contractors/ customers held by the Company as on March 31, 2018 amounted to Rs.22,412 Lakhs are not amortized as required under the mandatory provisions of Ind AS 109 "Financial Instruments". The impact, if any, thereof on Consolidated Ind AS Financial Statements has not been ascertained.
- 10.10 The government Grants received by the Company of Rs. 23,850 Lakhs in Financial Year 2006-07 towards capital assets for specific projects out of which Rs. 17,847.58 Lakhs as at March 31, 2018 are deferred for recognition as revenue. The details of these grants tagged with specific assets there against and conditions to be satisfied for the same are not made available for verification. Hence, correctness thereof pertaining to accounting in terms of provisions of Ind AS 20, cannot be commented upon.
- 10.11 The Company does not collate, maintain and present the details of dues to its vendors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.
- 10.12 Satisfactory explanation could not be furnished in course of our audit for substantial reduction to the tune of Rs. 6,109 Lakhs compared to the previous year in the actuarially valued provision made towards Leave encashment despite the fact that number of employees and the rules for leave carry forward and encashment remained substantially same during the year under audit as compared to the previous year.
- 10.13 Prior period items of Income and expenses have been disclosed by the Company in note No.45 but the amount of the concerned prior period have not been restated/ recast as required under Ind AS 8.
- 10.14 The Amount remaining and recognized in the following GL heads/ codes are subject to confirmation and/or reconciliation. The necessary data/ details pertaining to following were not made available for verification during the course of audit:

GL	Name of Account heads	2017-18 Rs. In Lakhs Asset/ Exp. (Liability/ income)
260010	STU Sundry debtors for Trans. Charges	1,47,615.98
260040	Sundry Debtors-Others	78,103.89
260060	Sundry Debtors-Inter Unit Account	2,126.90
131010	Sundry Creditors Payable Domestic (other than SME)	(18,389.69)
132010	Sundry Creditors I'l Vendor	(6.80)
133010	Sundry Creditors-Inter Company	(3,135.19)
134010	Sundry Creditors Employees	(14.93)
131030	Sundry Crs-Unpaid Market Bond (Principal & Inc)	(4.80)
256010	Obsolete materials stock (including scrap)	266.00
255020	Loss due to Material pending investigation	200.11
230040	AUC Cost of Land Devp.onLeaseholdLand-VoIt.F100KV	175.35
230050	AUC Cost of Land Dev.onLeaseholdLand-VoIt.G132KV	274.64
230060	AUC Cost of Land Dev.onLeaseholdLand-Volt.H220KV	1,907.09
230070	AUC Cost of Land Dev.onLeaseholdLand-Volt.J400KV	49.17
230090	AUC Cost of Land Dev.onLeaseholdLand-Volt.L765KV	1.60
232010	AUC OTHER BLDGS-OFFICE, QRTS, TRAINING CENTRE	1,650.45
237010	AUC Others	18,050.45
237020	AUC LE	86.89
237030	AUC ORC	1,826.59

GL	Name of Account heads	2017-18 Rs. In Lakhs Asset/ Exp. (Liability/ income)
290010	Advances to Contractors /Suppliers O&M	1,375.42
290020	Capital Advance for Projects	800.07
293050	Miscellaneous Loans & Advances	207.27
296050	Exp recov from Suppliers	58.24
296060	Exp.recov from Contractors	182.76
150010	Provision for Capital Works	(12,668.71)
123040	Security deposits of jobs/works	(18,091.96)
297020	Other Deposits	6,987.55
123100	Other Deposits from Consumers-0. R. C. Deposits	(57,758.45)
222010	Assets Not in Use	14,039.54
219701	ACC Dep not in use	(10,535.90)
123060	Retention money of Vendor	(66,678.98)
123110	Retention GL for liquidity charges from vendor	(9,637.69)
130020	EMD Dummy entry	(442.11)
100050	Grants towards cost of Capital Assets	(17,847.58)
130010	GR / IR CLEARING Account	(4,393.24)
123030	Security Deposits	(4,322.64)
123050	Earnest Money	(1,889.05)
123070	Misc.Deposits-Vend	(1,598.78)
255010	Material pending investigation	1.11
150040	Provision for Expenses -Employees	(3,943.42)
121020	Private Bonds Interest accrued but not Due	(1,488.25)
150030	Provision for Expenses-Others	(1,715.27)
292120	Advance against Gratuity to Staff	(28.02)
140060	Misc. Deposits from Employee	(41.16)
380040	Other Miscellaneous Receipts (GST taxable)	(1,802.43)
380041	Other Miscellaneous Receipts (Non-GST)	(1,024.17)
150020	Provision for O&M works	(57.56)

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

Opinion

- In our opinion and to the best of our information and according to the explanations given, the deficiencies noted in internal controls pertaining to preparation and presentation of financial statements, coupled with non-compliances and audit observations noted in "Basis for modified opinion" paragraph above and read with the notes to the Consolidated Ind AS Financial Statements, the aggregate impact thereof on the said financial statements has not been ascertained/ quantified. As a result, we have not been able to obtain sufficient appropriate audit evidences and ascertain the combined impact of the items noted in "Basis for modified opinion" paragraph above, hence unable to comment thereon; subject to that the Consolidated Ind AS Financial Statements, in our opinion, 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 of the financial position of the Company and its Associates as at March 31, 2018 and its profit (including other comprehensive income), changes in equity and cash flows for the year ended on that date.

12. Other Matters

- a. The statutory audit for the preceding Standalone Ind-As Financial Statements of the Company's previous year was not carried out by us. The figures, numbers and details pertaining to previous year have been traced from the Standalone Ind AS Financial Statements of the previous year audited by M/s Jain Chowdhary & Co., Chartered Accountants, Mumbai vide their report dated September 27, 2017.
- b. The previous year figures provided in consolidated Ind-As financial statements are unaudited and are taken as certified by the management
- c. The Consolidated Ind AS Financial Statements also include the Company's share of net profit of Rs. 544.93 Lakhs for the year ended 31 March 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of Two Associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Associates, and our report in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Associates is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

13. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements, and the other financial information of Associates, incorporated in India, as noted in the 'Other Matters' paragraph, we report to the extent applicable, that:
 - (a) We have sought and except as noted in Para 10 above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
 - (b) In our opinion, except as noted in para 10 above, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
 - (d) Except as noted in para 10 above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors of the Company, and the reports of the statutory auditors of its Associates incorporated in India, none of the Directors of the Company and its Associates companies incorporated in India are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, its Associates incorporated in India and the operating effectiveness of such controls; refer to our separate report in the "Annexure".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate Ind AS financial statements, as also the other financial information of the Associates as noted in the 'Other Matters' paragraph:
 - i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations, other than relating to taxation matters, on its Consolidated financial position of the Company and its Associates. Refer Note 38.
 - ii) Except as stated in Para 10 above, the Company and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31 March 2018.
 - iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Associates during the year ended 31 March 2018.

For Khimji Kunverji & Co.
Chartered Accountants,
Firm's Registration No: 105146W

Sd/-
Hasmukh B Dedhia
Partner
Membership No: F-33494

Place : Mumbai
Date : 27 August 2018

Annexure to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of Maharashtra State Electricity Transmission Company Limited

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Maharashtra State Electricity Transmission Company Limited ("hereinafter referred to as "the Company") and its Associates, , incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, and its Associates, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has an internal financial controls system over financial reporting, design whereof needs to be enhanced to make it comprehensive. Based on selective verification of process controls matrixes, made available to us, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note, the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.

Based on considerations of reporting of the other auditors of Associates as mentioned in the other matter paragraph, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Associates considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid reports under section 143(3)(1) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two Associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Khimji Kunverji & Co.

Chartered Accountants,
Firm's Registration No: 105146W

Sd/-

Hasmukh B Dedhia

Partner

Membership No: F-33494

Place : Mumbai

Date : 27 August 2018

CONSOLIDATED FINANCIAL STATEMENTS

Maharashtra State Electricity Transmission Company Limited
Consolidated Balance Sheet as at 31st March 2018

(Rs. in Lakhs)

Sr. No.	Particulars	Note No	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
I	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment	4.1	16,56,826.29	16,22,277.73
	(b) Capital work-in-progress	4.2	2,26,432.10	2,68,633.64
	(c) Other Intangible Assets	4.3	149.77	180.90
	(d) Investments in Subsidiaries, associates and joint ventures	5	3,899.64	4,348.64
	(e) Financial Assets			
	(i) Investments	6.1	55,831.04	41,209.43
	(ii) Loans	6.2	9,496.84	23,644.86
	(f) Income Tax Assets (net)	7	38,630.29	41,650.97
	(g) Other Non-Current Assets	8	885.62	2,726.42
(2)	Current assets			
	(a) Inventories	9	21,134.29	23,443.99
	(b) Financial Assets			
	(I) Investments	10.1	6,628.35	6,896.69
	(ii) Trade Receivables	10.2	2,25,796.16	2,65,296.67
	(iii) Cash and Bank balance	10.3	9,202.08	6,359.98
	(iv) Loans	10.4	210.45	705.74
	(v) Other Current Financial Assets	10.5	2,303.28	2,835.55
	(c) Other Current Assets	11	2,376.26	4,186.47
	(d) Assets Classified as Held for Sale		3,503.25	3,810.83
	TOTAL ASSETS		22,63,305.70	23,18,208.50
II	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share capital	12	8,98,497.47	8,98,497.47
	(b) Other Equity	13	1,60,201.09	1,09,839.46
(2)	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14.1	5,44,421.65	5,77,217.35
	(ii) Other Non-Current Financial Liabilities	14.2	1,60,572.39	1,46,789.34
	(b) Provisions	15	58,097.23	61,021.24
	(c) Deferred tax liabilities (Net)	16	2,28,281.66	2,17,325.17
	(d) Other Non-Current Liabilities	17	28,031.49	18,657.56
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18.1	1,02,787.18	1,64,604.07
	(ii) Trade Payables	18.2	24,562.55	24,767.34
	(iii) Other Current Financial Liabilities	18.3	32,290.80	73,776.13
	(b) Other Current Liabilities	19	585.76	496.04
	(c) Provisions	20	24,976.42	25,217.34
	TOTAL EQUITY AND LIABILITIES		22,63,305.70	23,18,208.50
	Significant Accounting Policies	1 to 3		

The accompanying notes are an integral part of these financial statements
As per our attached report of even date

For **Khimji Kunverji & Co.**,
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Hasmukh B. Dedhia
Partner
Membership No. F-33494

Date: 27 August 2018
Place: Mumbai

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anil Kalekar
Chief General Manager (F&A)

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Parrag Jaiin Nainutia
Chairman & Managing Director

Sd/-
Vinayak Sathe
Director (Finance)

Sd/-
Ganpat Munde
Director (Operations)

Sd/-
Vineeta Shriwani
Company Secretary

Maharashtra State Electricity Transmission Company Limited
Consolidated Statement of Profit and Loss for the year ended 31st March, 2018 (Rs. in Lakhs)

Sr. No.	Particulars	Note No.	2017-18 (Audited)	2016-17 (Unaudited)
	Revenue			
I	Revenue from operations	21	3,77,809.99	2,16,204.94
II	Other Income	22	17,416.46	1,02,973.89
III	Total Revenue (I+II)		3,95,226.45	3,19,178.83
IV	EXPENSES			
	Repair & Maintenance Expenses	23	18,860.05	12,302.47
	Employee benefits expense	24	88,714.64	96,004.27
	Finance costs	25	58,266.02	67,090.92
	Depreciation and amortization expense		1,10,958.52	1,08,501.72
	Other expenses	26	38,584.68	26,801.92
	Total expenses (IV)		3,15,383.91	3,10,701.30
	Profit before share of net profits of investments accounted for using equity method and tax		79,842.54	8,477.53
	Add: Share of net profits of Associates accounted for using equity method		732.23	808.36
V	Profit/(loss) before tax (III-IV)		80,574.77	9,285.89
VI	Tax expense:			
	(1) Current tax		(19,518.91)	(1,420.71)
	(2) Current tax-Previous years			
	(3) Deferred tax		(10,866.10)	(8,120.97)
	Total tax expense		(30,385.02)	(9,541.68)
VII	Profit/(Loss) for the year (V-VI)		50,189.75	(255.79)
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans		258.66	(3,113.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(90.39)	1,077.59
	Share of net profits of Associates accounted in OCI for using equity method		3.61	0.12
	Other comprehensive income for the year, net of income tax		171.89	(2,036.00)
IX	Total Comprehensive Income for the period (VII + VIII)		50,361.64	(2,291.79)
X	Basic and diluted earnings per share (Face Value Rs 10/-)		0.56	(0.00)
	Significant Accounting Policies	1 to 3		0.00

The accompanying notes are an integral part of these financial statements
As per our attached report of even date

For Khimji Kunverji & Co.,
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Hasmukh B. Dedhia
Partner
Membership No. F-33494

Date: 27 August 2018
Place: Mumbai

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anil Kalekar
Chief General Manager (F&A)

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Parrag Jaiin Nainutia
Chairman & Managing Director

Sd/-
Vinayak Sathe
Director (Finance)

Sd/-
Ganpat Munde
Director (Operations)

Sd/-
Vineeta Shriwani
Company Secretary

Maharashtra State Electricity Transmission Company Limited
Consolidated Cash flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

Particulars	For Year Ended	For Year Ended
	31-03-2018 (Audited)	31-03-2017 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extra-Ordinary Items (Excluding Minority Interest)	80,574.77	9,643.40
Adjustment for		
Depreciation	1,10,958.52	1,08,501.72
Amortisation of government grants	(809.98)	(811.26)
Gain on disposal of property, plant and equipment	(349.11)	(370.64)
Gain on sale of investments	0.41	-
Proceeds from sale of property, plant and equipment	(256.08)	-
Dividends received	(1,608.75)	(357.50)
Interest received	(4,537.33)	(4,676.22)
Finance costs	69,839.90	67,090.92
Current Tax Assets (Net)	-	37,903.48
Income Tax Refund	-	-
Operating Profit Before Working Capital Changes	2,53,812.36	2,16,923.90
Movements in Working Capital		
(Increase)/Decrease in WIP / Inventory	2,309.70	(462.45)
(Increase)/ Decrease in Trade Receivable	39,500.52	(27,949.25)
(Increase)/ Decrease in Short Term Loan and Advance	495.28	2,005.40
(Increase)/ Decrease in Other Current Assets	2,342.49	(1,229.87)
Increase/(Decrease) in Provisions	(3,164.93)	1,184.51
Increase/(Decrease) in Trade Payables	(204.79)	(5,970.58)
Increase/(Decrease) in Other Current Liabilities	(48,257.65)	(1,34,325.52)
Increase/(Decrease) in Other Long Term Liabilities		
Cash generated from operations	2,46,832.96	50,176.13
Direct Taxes/paidy Refund	(9,377.52)	(431.00)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	2,37,455.44	49,745.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital advance	(1,02,361.65)	(1,19,741.06)
Amortisation of government grants	809.98	811.26
Gain on sale of investments	(0.41)	-
Receipts of government grants	10,183.91	-
Long term loans and advances	14,148.01	(321.61)
Other non-current assets	1,840.80	4,291.38
Other non-current liabilities	(809.98)	(935.54)
(Purchase)/Sale in Investment	(13,900.77)	825.01
Other non current financial liabilities	13,783.04	7,574.05
Dividends received	1,608.75	357.50
Interest received	4,537.33	4,676.22
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(70,160.99)	(1,02,462.79)

(Rs. in Lakhs)

Particulars	For Year Ended	For Year Ended
	31-03-2018 (Audited)	31-03-2017 (Unaudited)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	-	-
Proceeds/(Repayment) from Short Term Borrowings	(61,816.89)	58,867.07
Proceeds/(Repayment) from Long Term Borrowings	(32,795.70)	60,790.64
Interest paid / Finance costs	(69,839.90)	(67,090.92)
Loan Processing Charges Paid	-	-
NET CASH FROM /(USED IN) FINANCING ACTIVITIES	(1,64,452.48)	52,566.78
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	2,841.97	(150.87)
Opening Balance of Cash & Cash Equivalents	6,359.98	6,510.86
Closing Balance of Cash & Cash Equivalents	9,202.08	6,359.98
Components of Cash & Cash Equivalents at	31-03-18	31-03-17
Balance with Banks		
(a) Cash and Stamps on hand	13.97	14.45
(b) Bank balances	3,446.38	2,058.72
(c) Demand Deposits	5,741.73	4,286.81
Cash & Cash Equivalents at the end of the year	9,202.08	6,359.98

The accompanying notes are an integral part of these financial statements
As per our attached report of even date

For Khimji Kunverji & Co.,
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Hasmukh B. Dedhia
Partner
Membership No. F-33494

Date: 27 August 2018
Place: Mumbai

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anil Kalekar
Chief General Manager (F&A)

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Parrag Jaiin Nainutia
Chairman & Managing Director

Sd/-
Vinayak Sathe
Director (Finance)

Sd/-
Ganpat Munde
Director (Operations)

Sd/-
Vineeta Shriwani
Company Secretary

Maharashtra State Electricity Transmission Company Limited
Consolidated Statement of changes in equity for the year ended 31st March 2018

A Equity share capital

(Rs in Lakhs)

	Notes	Amount
As at 1st April , 2016		8,98,497.47
Changes in equity share capital	12	-
As at 31st March , 2017		8,98,497.47
Changes in equity share capital	12	-
As at 31st March , 2018		8,98,497.47

B Other equity

(Rs in Lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Reserves & Surplus		
Contingency Reserve Fund		
Opening Balance	43,644.00	38,098.00
Transferred from retained earnings	5,881.00	5,546.00
	49,525.00	43,644.00
Special Reserve Fund		
Opening Balance	13,939.00	13,939.00
Add : Addition During the Year	-	-
	13,939.00	13,939.00
Retained Earnings		
Opening Balance	52,256.45	1,17,920.45
<u>Ind AS adjustments</u>	-	-
Profit for the year	50,189.75	(43,655.15)
Income tax adjustments		(16,462.96)
Other comprehensive income for the year	171.89	0.12
Total comprehensive income for the year	50,361.64	(60,117.99)
Transferred to Contingency Reserve	(5,881.00)	(5,546.00)
Transferred to Special Reserve Fund	-	-
	96,737.09	52,256.45
Total	1,60,201.09	1,09,839.45

The accompanying notes are an integral part of these financial statements
As per our attached report of even date

For Khimji Kunverji & Co.,
Chartered Accountants
Firm Registration No. 105146W

Sd/-
Hasmukh B. Dedhia
Partner
Membership No. F-33494

Date: 27 August 2018
Place: Mumbai

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anil Kalekar
Chief General Manager (F&A)

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Parrag Jain Nainutia
Chairman & Managing Director

Sd/-
Vinayak Sathe
Director (Finance)

Sd/-
Ganpat Munde
Director (Operations)

Sd/-
Vineeta Shriwani
Company Secretary

Notes to Consolidated financial statements for the year ended 31st March 2018

1. a) Corporate and General Information

The Consolidated Financial statements comprise Financial statements of the Maharashtra State Electricity Transmission Company Limited (MSETCL / the Company) and its Associates (i.e Jaigad Power Transmission Ltd (JPTL) and Maharashtra Transmission Communication Infrastructure Limited (MTCIL)) for the year ended 31st March, 2018.

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 Scheme was approved by Government of Maharashtra (GoM) on 31.03.2016. The transfer of Assets and Liabilities under the above Transfer Scheme was made by the GoM. As decided the consideration for the transfer of undertaking being excess of assets over liabilities is discharged by issue of Equity Shares of Rs. 898497.47 Lakhs to MSED Holding Company Limited (the Holding Company).

MSETCL is a leading state transmission utility in the country. MSETCL owns and operates most of Maharashtra's Electric Power Transmission System. The Company is a wholly owned corporate entity under the Maharashtra Government incorporated and domiciled in India on May 31, 2005 after restructuring the erstwhile Maharashtra State Electricity Board to transmit electricity from its point of generation to its point of distribution.

The Company is notified as the State Transmission Utility (STU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISIS). While the Associates Jaigad Power Transmission Ltd (JPTL) is engaged in the business of Transmission of Electricity and Maharashtra Transmission Communication Infrastructure Limited (MTCIL) is engaged in the business of making available optical fibre capacity on lease

2. Statement of significant Accounting Policies

2.1 Basis of Preparation

(i) Compliance with Ind AS

The Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013, and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereafter.

FY 2017-18 being first year of consolidation, comparative figures are unaudited and management certified.

(ii) Basis of measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value;

Certain financial assets and liabilities that are measured at fair value;

Assets held for sale - measured at lower of carrying amount of fair value less cost to sell;

Defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.2 Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

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

- Estimates of useful lives and residual value of Property, Plant and Equipments and Intangible Assets; -
- Valuation of Inventories;
- Measurement of Defined Benefit Obligation and actuarial assumption;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

2.3 Property, Plant and Equipment (Ind AS 16)

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized. If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, contracts for construction of Sub-station and Transmission Lines where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

The cost of land includes payments/liabilities towards compensation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as cost of Land Development.

Spares parts whose cost is Rs. 10,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.4 Capital Work-In-Progress (CWIP) (Ind AS 16)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of Project Offices, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

Costs incurred on identification, survey and feasibility studies of a project under sanctioned scheme are shown as a distinct item under capital work in progress till the period of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to Statement of Profit and Loss in the year of rejection.

2.5 Intangible Assets (Ind AS 38)

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalized when it increases the future economic benefits embodied in an existing asset and is amortized prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

An item of Intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

2.6 Depreciation/Amortization (Ind AS 16)

Depreciation/amortization on the assets related to transmission business is provided on straight line method following the rates and methodology notified by the Maharashtra Electricity Regulatory Commission (MERC) for the purpose of recovery of tariff.

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 4 years, whichever is less with nil residual value.

Mobile Phones are charged off within 3 years from the date of Purchase.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease on account of price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated retrospectively at the rates and methodology as specified by the MERC Tariff Regulations.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business, following the rates and methodology notified by the MERC.

The residual values, useful lives and methods of depreciation for assets other than assets related to transmission business are reviewed at each financial year end and adjusted prospectively, wherever required.

Property, Plants & Equipments costing Rs. 5,000/- or less, are fully depreciated in the year of acquisition.

Leasehold land is fully amortized over lease period in accordance with the rates and methodology specified in MERC Tariff Regulation.

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%

The associates companies provide depreciation and amortisation on assets based on straight line method (SLM) as per provision of Part B of schedule II of the Companies Act, 2013.

2.7 Borrowing costs (Ind AS 23)

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest During Construction (IDC) and expenditure (net) allocated to construction as per policy referred at 2.4 above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP. Actual IDC is calculated for schemes where it is possible. In case of remaining scheme, debt equity ratio of 70:30 is considered for calculating of IDC for opening capex as well as capex incurred during the year. FIFO method is followed while considering the capitalization i.e first capitalization of asset will be taken place from opening balance of capex. The weighted average rate of interest of each financial institution and banks is applied for calculating IDC.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessary takes a substantial period of time to get ready for its intended use) are capitalized as a part of cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

Capitalization of Borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are completed.

Investment income earned on temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.8 Non-current assets held for sale (Ind AS 105)

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment and intangible assets classified as held for sale are not depreciated or amortized.

2.9 Leases (Ind AS 17)

Finance Lease

Assets acquired as Finance leases, where the Company, as lessee substantially all the risks and rewards of ownership, such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease. Payments made under Operating Leases are generally recognized in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation.

Lease Agreements in respect of land are considered as Finance Lease as the land has been used for the construction of Sub-Stations which are having perpetual use.

2.10 Impairment of Non-financial assets, other than inventories (Ind AS 36)

Cash generating units as defined in Ind AS 36 'Impairment of Assets' are identified at the Balance Sheet date. At the date of Balance Sheet, if there is any indication of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

2.11 Inventories (Ind AS 2)

Inventories are valued at Lower of cost and net realizable value. The cost of inventories is determined on weighted average basis.

Cost of inventories comprises of cost of purchase and other costs incurred in bringing the inventories to its present location and condition. Inventories are issued on First In First Out (FIFO) basis.

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

Obsolete, slow moving and unserviceable stocks are identified at the time of physical verification of stock and necessary provision is made for such stocks.

2.12 Revenue Recognition (Ind AS 18)

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates.

Transmission Income

Revenue from Transmission of Electricity received from Distribution Licensees is accounted for based on Monthly Intra State Transmission Tariff Order issued by the Maharashtra Electricity Regulatory Commission (MERC).

Revenue from Operations such as Open Access charges, SLDC Charges, Rescheduling Charges are recognized as per MERC Orders.

Dividend Income

Dividend income is recognized when the right to receive payment is established.

Interest Income

Interest income is accounted on accrual basis.

Sale of Scrap

Income from sale of scrap is accounted from on realization.

Supervision charges

The supervision charges received from Outright Consumers Contribution is recognised in the year of receipt.

Other Income

Other Income is recognized on accrual basis except when ultimate realization of such income is uncertain.

2.13 Employee Benefits (Ind AS 19)

Short Term Employee Benefits:

Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method based on Actuarial Valuation.

The benefits are discounted using the yields of Corporate Bonds at the end of the reporting period that have terms approximating to the terms of the related obligation.

Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Post-employment benefits:

The Company operates the following post-employment schemes:

- (i) Defined Benefit Plans such as gratuity; and
- (ii) Defined contribution plans such as provident fund.

Defined Benefit Plan

Liability towards defined employee benefits like gratuity is determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plan

Defined Contribution Plans such as Provident Fund etc. are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a separate trust which also manages funds of other group companies. The minimum rate of interest payable by the Trust is in accordance with rate notified by the Government. The Company has an obligation to make good the shortfall, if any.

2.14 Foreign Currency Transactions (Ind AS 21)

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

2.15 Principle of Consolidation

Investment in Associates and Joint Ventures (Ind AS 27)

Equity Method

Under the equity method, on initial recognition the investment in associates or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of acquisition. The company's share of the investee's profit or loss is recognised in the company's statement of profit or loss. Distribution received from an investee reduce the carrying amount of the

investment. Adjustments to the carrying amount may also be necessary for changes in the company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The company's share of those changes is recognised in the company's other comprehensive income.

2.16 A) Government Grants (Ind AS 20)

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income

B) Accounting of Maharashtra Energy Development Agency (MEDA) Projects

As per the 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.

2.17 Provisions and Contingent Liabilities (Ind AS 37)

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. These are reviewed at each Balancesheet date and are adjusted to reflect the current management estimates.

2.18 Fair Value Measurement (Ind AS 113)

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

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

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the assets or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the assets or liability, that are not based on observable market data (unobservable inputs).

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

2.19 Financial Assets (Ind AS 32)

Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cashflow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is:

To hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

Debt instruments at Fair Value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income. Dividends on such equity instruments are recognized in the Statement of Profit or Loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when-

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either:

The Company has transferred substantially all the risks and rewards of the asset, or

The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or assets is determined to have a low credit risk at the reporting date.

The Company had recognized Expected Credit Loss (ECL) on Trade receivables and other financial assets. The ECL primarily comprises of two main factors, viz. Time loss (money value) and Credit loss. Time loss is computed considering an appropriate discount rate. The management believes that the rate used in determining the actuarial valuation of employment benefits is reflective of the loss it suffers due to delays in collection. This rate is reviewed once a year. The Credit loss is calculated on the basis of the credit spread of Corporate Bonds having tenure of 10 years as at the date of the balance sheet.

Trade receivables were categorized into three groups for computing ECL viz.

- 1) Distribution Licensees (Group Companies and Others),
- 2) Open Access Consumers (Long term and Short term) and
- 3) Regular (Other) Consumers. Time loss for all categories was considered as same, whereas Credit loss was provided on the basis of credit spread for Corporate Bonds (published by FIMMDA). The management has estimated an appropriate credit rating for each of the above three groups.

The ECL on other receivables from Group companies is provided to the extent of Time loss only.

2.20 Financial Liabilities (Ind AS 32)

Initial recognition and measurement

Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held for- trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in Statement of Profit and Loss.

Financial Liabilities at amortized cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

De-recognition

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

Offsetting of financial Instruments

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

2.21 Taxes on Income (Ind AS 12)

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in ether comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.22 Prior Period Items (Ind AS 8)

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.23 Earnings per Share (Ind AS 33)

Basic earnings per share are computed using the net profit or loss for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

2.24 Cash and Cash Equivalent (Ind AS 7)

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.25 Cash Flow Statement (Ind AS 7)

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities are segregated.

3. Recent Accounting Pronouncements: Standard issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115 In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018. The standard permits two possible methods of transition:

- a) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- b) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

Maharashtra State Electricity Transmission Company Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2018
4.1: Property, Plant & Equipment

Particulars	(Rs. in Lakhs)											
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Line & Cable Networks	Hydraulic Works	Other Civil Works	Furniture & Fixtures	Vehicles	Office Equipment (including computer)	Others	Total
Gross Carrying amount												
Balance as at 1st April, 2016	24,179.79	9,178.91	40,464.46	8,51,657.54	6,40,328.40	1,340.00	88,455.49	1,531.41	607.74	2,974.71	291.82	16,61,010.27
Additions	842.80	463.87	900.18	88,534.18	68,685.24	3.59	11,499.42	144.34	82.62	477.50	(291.82)	1,71,633.74
Disposals	48.04	(16.62)	9,615.69	(8,702.45)	(246.41)	-	(206.82)	-	(38.11)	(148.84)	-	12.66
Ind AS adjustments		2,712.98										2,712.98
Balance as at 31st March, 2017	25,070.63	9,626.16	50,980.33	9,34,202.25	7,08,767.23	1,343.59	99,748.09	1,675.75	652.25	3,303.37	0.00	18,35,369.65
Additions	492.81	2,532.71	563.96	75,940.11	58,770.55	8.50	5,579.33	78.88	53.43	442.85	-	1,44,463.12
Disposals				(168.07)	62.09	-	-	(0.23)	2.43	(0.85)	-	(104.63)
Adjustments	(45.12)	(0.00)	(23,748.55)	11,593.35	795.46	(3.15)	(83.82)	(5.90)	(2.32)	(0.61)	-	(11,500.66)
Balance as at 31st March, 2018	25,518.32	12,158.86	27,795.74	10,21,567.64	7,68,395.32	1,348.94	1,05,243.60	1,748.51	705.79	3,744.75	0.00	19,68,227.48
Accumulated depreciation												
Balance as at 1st April, 2016	0.00	54.18	4,653.59	51,142.24	44,006.73	239.55	3,488.83	104.92	21.56	430.20	-	1,04,141.81
Additions	0.00	72.26	973.64	54,525.53	42,484.27	34.53	4,532.46	119.26	76.00	909.42	-	1,03,727.37
Disposals	0.00	0.35	(39.44)	4,051.36	1,205.83	144.88	(696.50)	(0.34)	(51.54)	(559.46)	-	4,055.14
Ind AS adjustments	0.00	0.00	-	1,167.60	0.00	-	-	-	-	-	-	1,167.60
Balance as at 31st March, 2017	0.00	126.79	5,587.79	1,10,886.73	87,696.83	418.96	7,324.79	223.84	46.02	780.16	-	2,13,091.92
Additions	0.00	77.70	991.31	59,344.99	43,426.69	34.36	4,881.97	124.97	77.65	1,896.05	-	1,10,855.70
Disposals	0.00	(0.00)	988.03	(10,729.69)	513.28	(917.01)	(869.67)	(3.99)	(29.30)	(1,498.09)	-	(12,546.44)
Adjustments	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	0.00	204.49	7,567.13	1,59,502.04	1,31,636.80	(463.69)	11,337.10	344.83	94.37	1,178.12	-	3,11,401.19
Net Carrying amount												
Balance as at 31st March, 2018	25,518.32	11,954.37	20,228.61	8,62,065.60	6,36,758.52	1,812.63	93,906.50	1,403.68	611.42	2,566.63	-	16,56,826.29
Balance as at 31st March, 2017	25,070.63	9,499.37	45,392.54	8,23,315.52	6,21,070.40	924.63	92,423.29	1,451.91	606.23	2,523.21	0.00	16,22,277.73

Note 4.2: Capital work-in-progress (CWIP)

(Rs. In Lakhs)

Particulars	CWIP
Gross Carrying amount	
Deemed cost as at 1st April, 2016	3,23,211.34
Additions	1,20,417.56
Deductions/Adjustments	(1,71,633.74)
Reclassification Adjustment	(3,361.52)
Balance as at 31st March, 2017	2,68,633.64
Additions	1,02,261.59
Deductions	1,44,463.12
Adjustments	
Reclassification	
Balance as at 31st March , 2018	2,26,432.10
At 31st March 2018	2,26,432.10
At 31st March 2017	2,68,633.64

Note 4.3 : Intangible Assets

(Rs. in lakhs)

Particulars	Computer software
Gross Carrying amount	
Deemed cost as at 1st April, 2016	792.50
Additions	-
Disposals	(1.72)
Balance as at 31st March, 2017	790.78
Additions	71.68
Disposals	-
Balance as at 31st March, 2018	862.46
Accumulated amortisation	
Balance as at 1st April, 2016	222.54
Additions	387.33
Disposals	-
Balance as at 31st March, 2017	609.87
Additions	102.83
Disposals	-
Balance as at 31st March , 2018	712.70
Net Carrying amount	
Balance as at 31st March, 2018	149.77
Balance as at 31st March, 2017	180.90

5 Investments in Subsidiaries, Associates and Joint Ventures

Accounted for using the equity method

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Investments in Associate/Joint Venture		
Unquoted		
At Cost		
Equity shares of Rs 10 each fully paid up		
Jaigad Power Transco Limited	3,947.01	3,575.00
(No of shares : 35750000, Previous Year: 35750000)		
Share of Profit & Loss of Associates accounted for using the equity method, net of tax in JPTL	697.32	729.75
Share of other comprehensive income of Associates accounted for using the equity method, net of tax in JPTL	0.01	(0.24)
Reduction in Carrying Investment due to Dividend Received	(1,608.75)	(357.50)
Net Carrying Amount of Investment	3035.60	3947.01
Maharashtra Transmission Communication Infrastructure Limited		
(No of Shares : 83,20,464, Previous Year 52,23,726 which includes Bonus shares issued during the year 21,72,242 (Nos))	494.07	522.37
Share of Profit & Loss of Associates accounted for using the equity method, net of tax in MTCIL	(156.00)	(121.10)
Share of other comprehensive income of Associates accounted for using the equity method, net of tax in MTCIL	3.60	0.35
Net Carrying Amount of investment	341.67	401.62
Preference Shares of Rs 10 each fully paid up		
Maharashtra Transmission Communication Infrastructure Limited		
(No of Shares : 52,23,726 Previous Year NIL)	522.37	-
Total	3899.64	4348.64
Aggregate amount of unquoted securities	3,899.64	4,346.64
Aggregate amount of quoted securities	-	-
Market value of quoted securities	-	-
Aggregate amount of impairment in the value of investments	-	-

(Refer Note No. 34)

6.1 Non - current Investments

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Quoted		
At amortised Cost		
Investments in Government Securities*	14,300.46	10,038.94
Investments in Bonds*	41,530.58	31,170.49
Total	55,831.04	41,209.43

*Earmarked against Contingency Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency

Aggregate amount of unquoted securities	55,831.04	41,209.43
Aggregate amount of quoted securities		
Market value of quoted securities	57,893.47	42,793.12
Aggregate amount of impairment in the value of investments	-	-

6.2 Non-Current Loans

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Unsecured , considered good unless stated otherwise		
Balances with group companies	2,126.90	21,794.05
Loans & Advances to Employees	362.97	
Security Deposits	7,006.97	1,850.81
Total	9,496.84	23,644.86

7 Non-Current Tax Assets (Net)

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Advance payment of Income Tax (net of Provision for Tax Rs.240733.16 lakhs(Previous Year Rs. 221405.60 lakhs))	38,630.29	41,650.97
Total	38,630.29	41,650.97

8 Other Non - Current Assets

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Unsecured , considered good unless stated otherwise		
Capital Advances	800.07	2,573.14
Unamortised transaction cost	85.55	153.28
Total	885.62	2,726.42

9 Inventories (At lower of cost or net realisable value)

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Stores & Spares	21,601.51	23,828.44
-Provision for Material Losses Pending Investigation & Obsolete Materials	(467.23)	(384.46)
Total	21,134.29	23,443.99

10.1 Current Investment

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Quoted At amortised Cost		
Investments in Government Securities*	500.03	6,896.69
Investments in Bonds*	6,128.32	0.00
Total	6,628.35	6,896.69
*Earmarked against Contingency Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency		
Aggregate amount of unquoted securities		
Aggregate amount of quoted securities	6,628.35	6,896.69
Market value of quoted securities	5,347.35	7,420.70
Aggregate amount of impairment in the value of investments		

10.2 Trade Receivables

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Unsecured unless stated otherwise		
Considered Good	2,25,796.16	2,65,296.67
-Allowance as per Expected Credit Loss Model		
Considered Doubtful	12,470.78	2,636.39
-Allowance for Doubtful	(12,470.78)	(2,636.39)
Total	2,25,796.16	2,65,296.67

10.3 Cash & Bank Balance

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
i) Cash and Cash Equivalents		
Balances with Banks	3,446.38	2,058.71
Cash and Stamps on Hand	13.97	14.45
ii) Demand Deposits with Banks	5,741.73	4,286.82
Total	9,202.08	6,359.98

10.4 Current Loans

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Unsecured, considered good		
Loans & Advances to Employees	210.45	705.74
Total	210.45	705.74

10.5 Other Current Financial Assets

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Unsecured, considered good unless stated otherwise		
Fixed Deposits Received from Suppliers/ Contractors as Security Deposits	853.74	706.38
Receivable from MSEB CPF Trust	-	514.50
Claims for loss/damage to materials	-	0.58
Interest Receivable	1,449.29	1,422.79
Other Receivable	0.25	191.29
Total	2,303.28	2,835.55

11 Other Current Assets

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Unsecured, Considered Good		
Prepaid Expenses	699.83	66.68
Advances to Suppliers	1,375.42	3,250.52
Advances and Recoverables	207.27	207.27
Interest on refund from Income Tax	1.85	518.95
Other Recoverable		
Considered good	91.89	103.09
Considered doubtful	149.11	149.11
Less-Provision for Doubtful Debts	(149.11)	(149.11)
Total	2,376.26	4,186.47

12 Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
a) Authorised 1500,00,00,000 Equity Shares of Rs.10/- each (Previous year 31st March, 2017 : 1500,00,00,000)	15,00,000.00	15,00,000.00
b) Issued, Subscribed and Paid up 898,49,74,733 Equity Shares of Rs.10/- each (Previous year 31st March, 2017 : 898,49,74,733)	8,98,497.47	8,98,497.47
Total	8,98,497.47	8,98,497.47

c) Terms & Rights attached to equity shares

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

d) Reconciliation of No. of equity shares

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Opening Balance	8,98,49,74,733	8,98,49,74,733
Shares issued	-	-
Closing Balance	8,98,49,74,733	8,98,49,74,733

e) Shares held by shareholders each holding more than 5% of the shares

Particulars	Number of fully paid equity shares	Number of fully paid equity shares
Equity Shares MSEB Holding Company Limited (% of Holding : 99.99%)	8,98,49,74,673	8,98,49,74,673

The above shares are held by MSEB Holding Company Limited

f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	2017-18 (Audited)	2016-17 (Unaudited)
Equity Shares of Rs.10 each issued in the financial year 2015-16 as fully paid up to the shareholders of MSEB Holding Company limited, pursuant to the Maharashtra State Electricity Reforms Transfer Scheme, 2005 approved by Government of Maharashtra on 31.03.2016.	No. of Shares	No. of Shares
	8,98,49,74,733	8,98,49,74,733
	Amount in lakhs	Amount in lakhs
	8,98,497.47	8,98,497.47

g) There were no shares allotted as fully paid up by way of Bonus shares and Buy back during the period of five years immediately preceding the reporting date.

13 Other Equity

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Reserves & Surplus		
a) Contingency Reserve Fund (Refer note (a) below)		
Opening Balance	43,644.00	38,098.00
Transferred from retained earnings	5,881.00	5,546.00
	49,525.00	43,644.00
b) Special Reserve Fund (Refer note (b) below)		
Opening Balance	13,939.00	13,939.00
Add : Addition During the Year	-	-
	13,939.00	13,939.00
c) Retained Earnings		
Opening Balance	52,256.45	1,17,920.45
-Reversal of provision for dimution in investment value		
Profit for the year	50,189.75	(43,655.15)
Income tax adjustments	-	(16,462.96)
Other comprehensive income for the year	168.27	-
Share of Associate/Joint Venture Share of other comprehensive income of Associates accounted for using the equity method, net of tax	3.61	0.12
Total comprehensive income for the year	50,361.64	(60,117.99)
Transferred to Contingency Reserve	(5,881.00)	(5,546.00)
Transferred to Special Reserve Fund		
	96,737.09	52,256.45
Total	1,60,201.09	1,09,839.46

The Description of the nature and purpose of each reserves in other equity is as follows:

a) Contingency Reserve Fund-

A contribution towards Contingency Reserves has to be made in accordance with Regulation 36 of MERC(MYT) Regulations, 2011 and which is within the prescribed limits of Regulation(not less than 0.25% and not more than 0.5% of the original cost of fixed assets annually) and is to be invested in the approved class of securities authorised under the Indian Trust Act, 1882.

b) Special Reserve Fund-

A contribution towards Special Reserve has to be made in accordance to the mechanism for sharing of gains or losses on account of controllable factors as per MERC Regulation, 2005. As per the regulation 19.1(b) one third of the amount of such gain is to be retained in a special reserve for the purpose of absorbing the impact of any future losses on account of controllable factors

14.1 Non-Current Borrowings

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Secured		
Term Loans from Banks (Note 14.1a)	11,541.36	13,479.33
Term Loans from Other Parties (Note 14.1.b)	5,32,880.29	5,63,738.02
Total	5,44,421.65	5,77,217.35

(Refer Note 35 & 37.2 for details regarding terms of borrowings, nature of security, repayment to terms etc.)

14.1. a Term Loans from Banks

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Union Bank of India	3,536.29	6,111.65
Bank Of Baroda	3,910.01	5,431.65
Oriental Bank of Commerce	1,395.61	1,936.03
Bank of India	2,699.46	0.00

14.1. b Term Loans from Other Parties

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Rural Electrification Corporation	327,431.30	3,29,472.94
Japan International Corporation Agency	21,577.61	26,074.25
Power Finance Corporation	1,83,871.33	1,97,490.08
International Finance Corporation	0.00	10,700.75

14.2 Other Non-Current Financial Liabilities

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Retention Money	76,316.68	88,183.32
Security Deposits	22,414.60	27,984.62
Other deposits	61,841.11	30,621.41
Total	1,60,572.39	1,46,789.34

15 Non - Current Provisions

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Provision for Employment Benefits	30,387.35	32,899.01
Provision for Gratuity	27,709.87	28,122.23
Provision for Leave Encashment		
Total	58,097.23	61,021.24

16 Deferred tax liabilities (Net)

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Deferred tax liabilities		
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	2,62,056.59	2,52,751.54
Loans and borrowings	706.66	155.98
Government grant	(236.58)	(170.12)
DTL	2,62,526.68	2,52,737.40
Deferred tax assets		
Employee Benefits	20,425.57	21,603.73
Others	7,778.41	7,778.40
Impairment on trade receivables	963.09	963.09
Amortisation of investment in govt securities	1,578.03	1,567.09
DTA	30,745.10	31,912.31
Reversal of opening DTL	3499.92	3,499.92
Net (DTA)/DTL	2,28,281.66	2,17,325.17

17 Other Non-Current Liabilities

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Grant : Power System Development Fund	874.53	-
Grant : Deferred Government Grants	17,847.58	18,657.56
Grant : Green Energy Corridor for Projects	7,500.00	-
Grant : Tribal Sub Plan Area (TSP)	1,809.38	-
Total	28,031.49	18,657.56

Refer Note No. 30

18.1 Current Borrowings

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Loan Repayable on Demand		
Secured		
Current Maturities of Term Loans from Banks	5,153.08	7,771.00
Current Maturities of Term Loans from Other Parties	90,646.27	87,966.00
Unsecured		
Working capital loans from banks	6,987.83	68,867.07
Total	1,02,787.18	1,64,604.07

(Refer Note 35 & 37.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

18.2 Trade payables

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Dues to Micro, Small and Medium Enterprises (Refer note 37.3)	-	-
Due to others	24,562.55	24,767.34
Total	24,562.55	24,767.34

18.3 Other current financial liabilities

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Interest accrued but not due on borrowings	7,378.71	8,587.78
Unclaimed matured open market bonds	4.80	84.80
Payable to MSEB CPF Trust	1,535.67	-
Employee related payables	7,349.42	8,038.21
Capital creditors	12,668.71	12,613.74
Payable to group companies	3,135.19	44,300.65
Other payables	218.30	150.95
Total	32,290.80	73,776.13

19 Other current liabilities

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Duties & taxes payable	585.76	213.77
Advances from customers	0.00	282.27
Total	585.76	496.04

20 Short term Provisions

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Provision for gratuity	8,013.97	8,387.96
Provision for leave encashment	8,292.93	8,530.52
Provision for CSR Expenditure	7,919.87	8,092.44
Provision for late interest payment on Service Tax	267.34	267.24
Provision for Tree/Land Compensation	482.31	-
Provision for decrease in value of Investment	-	(60.83)
Total	24,976.42	25,217.34

21 Revenue from operations

(Rs. in lakhs)

Particulars	For Year Ended 31.03.2018 (Audited)	For Year Ended 31.03.2017 (Unaudited)
Transmission charges (STU)	3,48,386.78	1,97,829.43
Transmission charges (Goa)	9,768.36	9,768.36
Transmission charges (Others)	16,496.26	4,361.99
Open Access Charges	1,025.37	2,361.11
SLDC Charges	1,881.19	1,698.50
Rescheduling Charges	252.03	185.54
Total	3,77,809.99	2,16,204.94

22 Other Income

(Rs. in lakhs)

Particulars	For Year Ended 31.03.2018 (Audited)	For Year Ended 31.03.2017 (Unaudited)
Interest income	4,537.33	4,676.22
Rent	633.61	560.00
Profit on sale of Property , Plant and Equipment	349.11	370.64
Sale of tender forms	134.48	101.36
Income from sale of scrap	817.61	626.49
Government Grant	809.98	811.26
Amortisation of investments	-	(24.35)
Other Miscellaneous Income	10,133.85	95,852.27
Gain on foreign currency transactions and translations (Net)	0.50	0.00
Total	17,416.46	1,02,973.89

23 Repair & Maintenance Expenses

(Rs. in lakhs)

Particulars	For Year Ended 31.03.2018 (Audited)	For Year Ended 31.03.2017 (Unaudited)
Property , Plant and Equipment	18,972.83	12,390.54
Others	-	37.12
Repairs and maintenance expenses capitalised	(112.78)	(125.18)
Total	18,860.05	12,302.47

24 Employee Benefits Expense

(Rs. in lakhs)

Particulars	For Year Ended 31.03.2018 (Audited)	For Year Ended 31.03.2017 (Unaudited)
Salaries, allowances, Bonus etc.	74,390.62	73,081.73
Staff welfare expenses	1,717.52	3,639.94
Other staff costs	526.36	2,639.94
Leave encashment	5,604.59	11,713.49
Gratuity	5,273.61	5,223.11
Contribution to Provident & Other Funds	7,488.66	7,388.88
Employee costs capitalised	(6,286.72)	(7,682.82)
Total	88,714.64	96,004.27

25 Finance Costs

(Rs. in lakhs)

Particulars	For Year Ended 31.03.2018 (Audited)	For Year Ended 31.03.2017 (Unaudited)
Interest Expense		
- Banks	3,588.65	5,937.48
- Others	65,794.26	74,074.37
Transaction Costs	253.04	39.96
Other Finance Costs		
Guarantee charges	1.27	6.66
Miscellaneous Costs	16.60	62.53
Amortisation of borrowings	186.07	95.61
Interest and Finance Charges Capitalised	(11,573.87)	(13,125.70)
Total	58,266.02	67,090.92

26 Other expenses

(Rs. in lakhs)

Particulars	For Year Ended 31.03.2018 (Audited)	For Year Ended 31.03.2017 (Unaudited)
Advertisement Expenses	48.50	54.76
Advertisement of tenders / notices and other purchase related advertisement	1,006.48	1,007.14
Auditor's Remuneration		
Statutory Audit Fees	19.49	19.49
For Reimbursement of Expenses	9.00	9.00
For Reimbursement of GST/ST on Audit Fee	5.13	2.92
Bad debts written off		
Electricity Charges	5,174.89	5,170.54
Freight Charges	3.64	4.10
Government Inspection Fees	0.03	0.24
Insurance	303.96	340.59
Legal & Professional Fees	511.50	520.17
Membership & Subscription	187.52	724.79
Miscellaneous Expenses	4,863.97	2,588.46
Miscellaneous losses and provisions	11,162.74	2,869.47
Postage Telephone & Telex	448.53	487.87
Printing & Stationery	302.23	274.69
Rent	1,220.29	1,185.99
Rates & Taxes	1,223.49	1,161.43
Security Expenses	6,660.98	5,740.28
Travelling & Conveyance	953.58	958.98
Upkeep of office	1,020.93	1,133.64
Vehicle Running & Maintenance Expenses	508.49	518.93
Water charges	531.60	542.59
Expenditure on Hire	2,111.19	1,850.19
Foreign Exchange Loss	1,607.17	268.99
Corporate Social Responsibility Expenses	-	764.14
-Expenses capitalised	(1,300.74)	(1,397.47)
Total	38,584.68	26,801.92

Note 27 Lease Disclosures

A) Finance Lease

The Company has taken land on lease from Government of Maharashtra , CIDCO , MIDC , etc for construction of substation and lines for 99 years and more by payment of upfront premium. Such lease arrangements have been considered as finance lease.

As at 31.03.18 (Rs. in lakhs)

Particulars	Land
Gross carrying amount	12,158.86
Accumulated amortisation	1,029.20
Amortisation recognised in statement of P&L	77.70

As at 31.03.17 (Rs. in lakhs)

Particulars	Land
Gross carrying amount	10,451.86
Accumulated amortisation	922.99
Amortisation recognised in statement of P&L	72.61

Particulars	As at 31.03.2018 (Audited)		As at 31.03.2017 (Unaudited)	
	Minimum Lease payment	Present value of MLP	Minimum Lease	Payment Present value of MLP
Within one year	-	-	-	-
After one but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total minimum lease payments	-	-	-	-
Less : amounts representing finance charges	-	-	-	-
Present value of minimum lease payments	-	-	-	-

B) Operating lease

a) Leases as lessee

- (i) The Company has an operating leases for office facilities and residential premises under a non cancellable operating lease agreements. The lease rentals paid for the same are charged to Statement of Profit and Loss.

ii) Future minimum rentals payable under non - cancellable operating leases are as

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Not later than one year	4.88	1,086.49
Later than one year and not later than five years	4.22	7.13
Later than five years		0.00

iii) Amounts recognised in profit or loss

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Lease expense	1,220.29	1,185.98
Contingent rent expense	-	-

b) Leases as lessor

The Company has given land to Maharashtra Eastern Grid Power Transmission Company Limited for 20 years for construction of 765/400 sub-station. The said lease is considered as operating lease in the books of MSETCL.

As at 31.03.18

(Rs. in lakhs)

Particulars	Land
Gross carrying amount	339.40
Accumulated amortisation	-
Amortisation recognised in statement of P&L	-

As at 31.03.17

(Rs. in lakhs)

Particulars	Land
Gross carrying amount	339.40
Accumulated amortisation	-
Amortisation recognised in statement of P&L	-

Note 28 Employee Benefits

a) Defined Contribution Plans

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss. According to the Management, the Actuary has opined that actuarial valuation can not be applied to reliably measure provident fund liabilities in absence of guidance from the Actuary Society of India. The investment value is excess by Rs. 2551.64 Lakhs (P.Y. Rs. 3460 Lakhs shortage) than subscription value, hence provision is made accordingly. The Company recognised Rs. 7476.19 lakhs (previous year Rs. 7384.84 lakhs) for Provident Fund contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Provident Fund

- i) The amount recognized in balance sheet in respect of Company's share of assets and liabilities of the fund managed by the CPF Trust are as under:

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Liability for subscriptions and interest payable to employees at the end of the year	1,29,670.20	1,26,715.79
Fair value of plan assets at the end of the year	1,32,221.84	1,23,255.73
Net Liability	(2,551.64)	3,460.07

ii) Description of Plan

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Special Deposit Schemes(SDS)	26.53%	27.51%
Other Security Guarantee by Central/State Govt	5.27%	5.92%
Government Securities (GOI)	14.78%	16.47%
State Development Loan (SDL)	19.81%	15.43%
Debt's and Other Related Instrument	31.21%	33.55%
Exchange Traded Fund (ETF)	1.43%	1.12%
Others	0.96%	0.00%

b) Defined Benefit Plan : Gratuity

Liability towards long term defined employee benefits - leave encashment, gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is unfunded in the case of leave encashment and gratuity.

Gratuity (Unfunded)

Movement in net defined benefit (asset)/ liability

i) Reconciliation of opening and closing balances of Gratuity obligation

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Defined benefit obligation at the beginning of the year	41,286.97	42,104.36
Current service cost	1,988.84	1,888.01
Past Service Cost	224.22	-
Interest cost	3,051.10	3,309.40
Actuarial (gain)/loss	(258.66)	3,113.70
Benefits paid	(7,891.15)	(9,128.51)
Defined benefit obligation at the end of the year	38,401.32	41,286.97

ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs in Lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan	-	-
Actuarial (gain)/loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

iii) Reconciliation of fair value of assets and obligations.

(Rs in Lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Fair value of plan assets as at the end of the year	-	-
Present value of obligations as at the end of the year	(38,401.32)	(41,286.97)
Unfunded (Liability)/asset recognized in the Balance Sheet	(38,401.32)	(41,286.97)

iv) Amount recognized in the Statement of Profit and Loss :

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Current service cost	1,988.84	1,888.01
Interest cost	3,051.10	3,309.40
Past Service Cost	224.22	-
Expected return on plan assets	-	-
Net Actuarial (gain)/loss	-	-
Total expenses recognized in the Statement of Profit and Loss account	5,264.16	5,197.41
Actual return on plan assets	-	-

v) Amount recognised in Other Comprehensive Income :

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions		
- Changes in Financial arrangements	(783.67)	1,031.79
- Changes in the effect of limiting a net defined benefit asset ceiling excluding amount included in interest		
- Experience adjustments	525.01	2,081.91
- Return on Plan assets excluding amounts net interest cost		

vi) Major Actuarial Assumptions

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Discount rate	7.73%	7.39%
Estimated return on plan	NA	NA
Salary increment	5%	5%
Employee turnover	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Mortality rate after employment	N. A	N. A

vii) The expected Future cash flow as on :

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Projected benefits payable in future years from the date of reporting		
1st following year	8,013.97	8,387.96
2nd following year	4,821.74	4,827.14
3rd following year	4,593.03	6,745.79
4th following year	3,815.20	4,268.51
5th following year	2,933.16	3,588.03
Sum of year 6 to 10	11,610.43	11,341.44
Sum of Year 11 and above	37,524.62	34,382.86

viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
(+) 1 % change in rate of discounting	(2,097.37)	(2,118.11)
(-) 1 % change in rate of discounting	2,420.99	2,438.62
(+) 1 % change in rate of salary increase	2,462.24	2,473.00
(-) 1 % change in rate of salary increase	(2,166.24)	(2,182.49)
(+) 1 % change in rate of employee turnover	541.22	457.68
(-) 1 % change in rate of employee turnover	(608.93)	(515.53)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date.

c) Long Term Benefits: Leave Encashment

i) The Projected Benefit

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Projected Benefit Obligation	24,845.89	24,860.39
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

ii) Major Actuarial Assumptions (Earn Leave Valuation)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Discount rate	7.73%	7.39%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	India Assured Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years
While in service encashment rate	10% for the next year	10% for the next year

ii) The Projected Benefit Obligation towards this Accumulating paid absences (Half paid leave) is tabulated below :

(Rs. in lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Projected Benefit Obligation	11,157.00	11,792.36
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

iv) Major Actuarial Assumptions (Half paid leave)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Discount rate	7.73%	7.39%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years

Note 29 : Related Party Transactions

1 Names of related parties

a) Associates/Joint Venture

Jaigad Power Transco Limited
Maharashtra Transmission Communication Infrastructure Limited.

b) Key Managerial Personnel

Key Management Personnel Name	Designation	With effect from
Shri. Rajeevkumar Prembushan Mital	Chairman & Managing Director	06.01.2015 to 01.05.2018
Shri. Parrag Jaiin Nainutia	Chairman & Managing Director	02.05.2018
Shri. Vinayak Sathe	Director Finance	02.04.2016
Ms. Vineeta Shriwani	Company Secretary	22.06.2015
Shri. Omprakash Kanhayya Yempal	Director (Operations)	06.07.2011 to 25.05.2017
Shri Ganpat T Munde	Director (Operations)	20.07.2017
Shri. Ravindra Dinkarrao Chavan	Director (Projects)	05.05.2015 to 04.05.2018
		18.05.2018
Smt. Pushpa Ramcharan Chavan	Independent Director	26.06.2014
Shri. Vishwas Pathak	Independent Director	24.08.2015

c) Remuneration paid to Key Managerial Personnel

(Rs. in lakhs)

Key Managerial Personnel Name	2017-18 (Audited)	2016-17 (Unaudited)
Shri. Rajeevkumar Prembushan Mital	21.41	23.64
Shri. Vinayak Sathe	17.73	20.12
Ms. Vineeta Shriwani	18.86	14.84
Shri. Omprakash Kanhayya Yempal	26.67	30.77
Shri. Ravindra Dinkarrao Chavan	29.02	25.24
Shri. Ganpat T Munde	17.01	-

d) Sitting Fees paid to Independent Directors

(Rs. in lakhs)

Key Managerial Personnel Name	2017-18 (Audited)	2016-17 (Unaudited)
Smt. Pushpa Ramcharan Chavan	1.00	0.60
Shri. Vishwas Pathak	1.10	0.90

e) Transactions during the year with Associates/Joint Venture:

(Rs. in lakhs)

Particulars	2017-18 (Audited)	2016-17 (Unaudited)
<u>Jaigad Power Transco Limited</u>		
Dividend income	1,608.75	357.50
Bay Maintenance income	105.08	33.18
Investment in Associates	-	-
<u>Maharashtra Transmission Communication Infrastructure Limited</u> A	1,713.83	390.68
Investment in Equity Shares	(28.30)	-
Investment in Preference Shares	522.37	-
B	494.08	0.00
Total (A+B)	2,207.91	390.68

f) Outstanding balances with Associates/Joint Venture:

(Rs. in lakhs)

Name of Associates/Joint Venture	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
<u>Investments in Equity Shares</u>		
Jaigad Power Transco Limited	3,947.01	3,575.00
Maharashtra Transmission Communication Infrastructure Limited	494.07	522.37
<u>Investments in Preference Shares</u>		
Maharashtra Transmission Communication Infrastructure Limited	522.37	0.00

2. Key Managerial Personnel are not entitled for post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements.
3. The Company has not included disclosure in respect of following related parties which are Government related entities as per Ind AS 24:
 - Maharashtra State Power Generation Company Limited (Maha Genco)
 - Maharashtra State Electricity Distribution Company Limited (Maha Vitaran)
 - MSEB Holding Company Limited (MSEB Holding Company Limited)

Note 30 : Government Grants for capital assets

(Rs. in lakhs)

Capital / Government grants	Amount	
As at 1 April 2016	19,468.82	
Received during FY 2016-2017	-	
Government Grant amortised during FY 2016-2017	811.26	
As at 31.03.2017	18,657.56	
Received during FY 2017-2018	10,183.91	
Government Grant amortised during FY 2017-2018	809.98	
As at 31.03.2018	28,031.49	
	31.03.2018 (Audited)	31.03.2017 (Unaudited)
Current	795.98	809.98
Non-current	27,235.52	17,847.58
Total	28,031.49	18,657.56

MSETCL has received Government Grant for the purpose of strengthening of Transmission Network by constructing Substations and Lines in various Districts in Maharashtra.

F.Y.	Grants Received (Rs. in lakhs)	Purpose for which grant received	Reasons for unfulfilled conditions
2006-07	6,850.00	Construction of Substations and Lines for strengthening of Transmission Network in 14 Districts	Total 29 Schemes out of which only 2 schemes are still ongoing
2007-08	8,000.00		Total 21 Schemes out of which only 4 schemes are still ongoing
2008-09	9,000.00		Total 79 Schemes out of which only 3 schemes are still ongoing.
2017-18	874.53	Power System Development Fund for System improvement	Schemes are yet to start
2017-18	7,500.00	Received as per the recommendation of 13th Finance Commission towards equity portion of MSETCL (the Parent) for Green Energy Corridor Project	Schemes are yet to start
2017-18	1,809.38	The grant is received from State Government towards 50% construction cost of Jawahar substation in Thane district under Tribal Sub Plan Area (TSP)	Schemes are yet to start
Total	34,033.91		

Note 31 : Earnings Per Share (EPS)

Profit attributable to Equity holders of Company

(Rs. In Lakhs)

Particulars	For year ended 31.03.2018 (Audited)	For year ended 31.03.2017 (Unaudited)
Profit attributable to equity holders of the Company for basic and diluted earnings per share	50,189.75	(255.79)

Weighted average number of ordinary shares

Particulars	For year ended 31.03.2018 (Audited)	For year ended 31.03.2017 (Unaudited)
Weighted average number of shares at March 31 for basic and diluted earnings per shares	8,98,49,74,733	8,98,49,74,733

(Amt. in Rs.)

Particulars	For year ended 31.03.2018 (Audited)	For year ended 31.03.2017 (Unaudited)
Basic and Diluted earnings per share	0.56	(0.00)

Note 32: Tax expense

(a) Amounts recognised in statement of profit and loss

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2018 (Audited)	For the year ended March 31, 2017 (Unaudited)
Current year	(19,518.91)	1,221.00
Short/Excess provision for earlier years	-	-
Current tax expense (A)	(19,518.91)	1,221.00
Origination and reversal of temporary differences	(10,866.10)	8,120.97
Deferred tax expense (B)	(10,866.10)	8,120.97
Tax expense recognised in the current statement (A) + (B)	(30,385.02)	9,341.97

(b) Amounts recognised in Other Comprehensive Income

(Rs. In Lakhs)

Particulars	For year ended 31.03.2018 (Audited)			For year ended 31.03.2017 (Unaudited)		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss : Remeasurements of the defined benefit plans	258.66	(90.39)	168.27	(3,113.70)	1,077.59	(2,036.11)
Equity Instruments through Other Comprehensive Income						
	258.66	(90.39)	168.27	(3,113.70)	1,077.59	(2,036.11)

(c) Reconciliation of effective tax rate

(Rs. In Lakhs)

Particulars	2017-18 (Audited)		2016-17 (Unaudited)	
	%	Rs. In lakhs	%	Rs. In lakhs
Profit before tax		80,574.77	0.00	8,835.03
Tax using the Company's domestic tax rate	34.61	27,885.32	21.34	3,057.63
Increase in tax rate				
Tax effect of:				
Non-deductible tax expenses				-
Tax-exempt income				-
Deduction u/s 80-IA				-
Others				-
	34.61	27,885.32	21.34	3,057.63

Note 32: Tax expense (continued)

d) Movement in deferred tax balances

(Rs. In Lakhs)

Particulars	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	March 31, 2018 (Audited)		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset /(Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,52,751.54)	(9,305.06)		-	(2,62,056.59)		(2,62,056.59)
Loans and borrowings	(155.98)	(550.68)		-	(706.66)		(706.66)
Employee benefits	21,603.73	(1,087.77)	(90.39)	-	20,425.57	20,425.57	
Provisions	963.09			-	963.09	963.09	
Government grant	170.12	66.46		-	236.58	236.58	
Investment in government security	1,567.09	10.94		-	1,578.03	1,578.03	
Other items	7,778.41			-	7,778.41	7,778.41	
Tax assets/(Liabilities)	(2,20,825.08)	(10,866.11)	(90.39)	-	(2,31,781.58)	30,981.67	(2,62,763.25)
Reversal of Opening DTL	3,499.92	(10,866.11)	(90.39)	-	3,499.92	3,499.92	
Tax assets/(Liabilities) (Net)	(2,17,325.16)			-	(2,28,281.66)	34,481.59	(2,62,763.25)

e) Movement in deferred tax balances

(Rs. In Lakhs)

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	March 31, 2017 (Unaudited)		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset /(Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,43,734.81)	(9,016.73)		-	(2,52,751.54)		(2,52,751.54)
Loans and borrowings	(189.07)	33.09		-	(155.98)		(155.98)
Employee benefits	20,852.85	750.89		-	21,603.74	21,603.74	
Provisions	50.68	912.40		-	963.08	963.08	
Government grant	102.27	67.85		-	170.12	170.12	
Investment in government security	1,357.98	209.11		-	1,567.09	1,567.09	
Other items	7,778.40			-	7,778.40	7,778.40	
Tax assets/(Liabilities)	(2,13,781.70)	(7,043.39)	-	-	(2,20,825.09)	32,082.43	(2,52,907.52)
Reversal of Opening DTL	3,499.92			-	3,499.92	3,499.92	
Tax assets/(Liabilities) (Net)	(2,10,281.78)	(7,043.39)	-	-	(2,17,325.17)	35,582.35	(2,52,907.52)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable to offset current tax assets and current tax liabilities and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note No. 33

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost:

(Rs. In Lakhs)

Particulars	31.03.2018 (Audited)				31.03.2017 (Unaudited)			
	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost
Non-current financial Assets								
Investments			55,831.04				41,209.43	
Loans #			9,496.84				23,644.86	
Current Financial assets								
Investments			6,628.35				6,896.69	
Loans #			210.45				705.74	
Other Financial Assets #			2,303.28				2,835.55	
Total	-	-	74,469.97	-	-	-	75,292.27	-
Non-current Financial Liabilities								
Borrowings #			5,44,421.65				5,77,217.35	
Other non-current Financial Liabilities #			1,60,572.39				1,46,789.34	
Current Financial liabilities								
Borrowings #			1,02,787.18				1,64,604.07	
Trade Payables #			24,562.55				24,767.34	
Other Financial Liabilities #			32,290.80				73,776.13	
Total	-	-	8,64,634.56	-	-	-	9,87,154.23	-

The above amount are considered at cost

Trade receivables:

The Company works out the expected credit losses of trade receivables (which are considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables. The trade receivables refer to receivables against wheeling charges to MSEDCL, being fellow subsidiary and sovereign entity, no credit risk has been envisaged. The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

(Rs. In Lakhs)

Particulars	31.03.2018 (Audited)		31.03.2017 (Unaudited)	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Past due 0-180 days	95,973.93		1,31,003.72	
Past due 180-360 days	1,875.37		1,15,537.34	
More than 360 days	1,38,408.68	12,470.78	21,392.00	2,636.39
TOTAL	2,36,257.98	12,470.78	2,67,933.06	2,636.39

The movement in the allowance for expected credit loss in respect of trade receivables during the year was as follows:

(Rs. In Lakhs)

Balance as at 01.04.2016	-
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
Balance as at 31.03.2017	-
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
Balance as at 31.03.2018	-

Cash and cash equivalents:

(Rs. In Lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Cash and cash equivalents	9,202.08	6,359.98

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) financing arrangements

The Company has an adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly approved by its shareholders and board. Domestic credit rating from reputed credit rating agencies enables access of funds from domestic market. It's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. MSETCL diversifies its capital structure with a mix of financing products across varying maturities and currencies. The financing products include, clean & secured domestic Term loans. These loans are taken from REC, PFC and banks.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. In Lakhs)

	Contractual cash flows					
	31.03.2018 (Audited)			31.03.2017 (Unaudited)		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities Borrowings	958	2,917	3,485	91,965	2,75,895	4,01,470
Total	958	2,917	3,485	91,965	2,75,895	4,01,470

Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk :

Currency Risk :

Interest rate risk exposure:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Rs. In Lakhs

Particular	Carrying amount	
	31.03.2018 (Audited)	31.03.2017 (Unaudited)
Fixed-rate instruments		
Financial assets	62,459.39	48,106.13
Financial liabilities	27,749.75	32,089.16
Variable-rate instruments		
Financial assets		
Financial liabilities	5,16,671.90	5,45,128.19

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs. In Lakhs)

Particulars	Profit of loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2018 (Audited)		31.03.2017 (Unaudited)	
Floating rate borrowings	1,291.68	(1,291.68)	1,362.82	(1,362.82)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	1,291.68	(1,291.68)	1,362.82	(1,362.82)

Note 34 : Details of Associates/Joint Venture

Name of Associate/Joint Venture	Principal Activity	Place of Incoreporation and Principal Place of Business	Proportion of Ownership Interest/ Voting Rights held by the Group	
			As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Equity Shares				
Jaigad Power Transco Ltd (JPTL)	Transmission of electricity	Mumbai	26%	26%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	38.14%	27.90%
Preference Shares				
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	100.00%	100.00%

Aggregate Summarised Financial Information of Associates/Joint Venture, that are not individually material

(Rs. In Lakhs)

Associates Particulars	JPTL		MTCIL	
	2017-18 (Audited)	2016-17 (Unaudited)	2017-18 (Audited)	2016-17 (Unaudited)
Carrying amount of Investment in Equity Shares	3,947.01	3,575.00	494.07	522.37
Carrying amount of Investment in Preference Shares	-	-	522.37	0.00
Company's Share of Profit or Loss from Continuing Operations	697.32	729.75	(156.00)	(121.10)
Company's share of post-tax profit or loss from discontinued operations	-	-	-	-
Company's share in other comprehensive income	0.01	(0.24)	3.60	0.35
Company's share in Total comprehensive income	697.34	729.51	(152.41)	(120.75)

(Rs. In Lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Aggregate carrying amount of the Company's interest in these Associates/Joint Venture	4,963.46	4,097.37
Impairment of Goodwill/Investments		
Carrying amount of the Company's interest in these Associates/Joint Venture	4,963.46	4,097.37

Interest in Associates/Joint Venture

MSETCL has a 26% (March 31, 2017: 26%) interest in Jaigad Power Transco Ltd (JPTL), a Associate/Joint venture engaged in the transmission of electricity and 38.14% (March 2017 27.9%) interest in Maharashtra Transmission Communication Infrastructure Limited (MTCIL), a Associate/Joint venture engaged in making available optical fibre capacity on lease.

MSETCL's interest in JPTL & MTCIL ('Associate/Joint Venture') is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the Associate/Joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(Rs. In Lakhs)

Particulars Summarised balance sheet	JPTL		MTCIL	
	As at 31.03.2018 (Audited)	As at 31.03.2017 (UnAudited)	As at 31.03.2018 (Audited)	As at 31.03.2017 (UnAudited)
Proportion of the Company's ownership (%)	26.00%	26.00%	38.14%	27.90%
Current Assets	3243.58	9460.51	717.90	83.41
Non Current Assets	36426.67	39136.12	10923.61	8933.40
Total Assets (A)	39670.25	48596.63	11641.51	9016.81
Current Liabilities	3433.19	4215.47	6744.20	4884.20
Non Current Liabilities	18254.94	21633.98	3316.60	2244.70
Total Liabilities (B)	21688.13	25849.45	10060.80	7128.90
Net Assets (A)-(B)	17982.12	22747.18	1580.71	1887.90
Proportion of the company's ownership	4675.35	5914.27	602.88	526.72
Add/ (less) Dividend paid	1,608.75	357.50		
Add/ (less) Share in profit for previous years	31.00	1609.76	-43.93	125.08
Add/ (less) Bonus Shares issued			-217.22	
Carrying amount of investments	3035.60	3947.01	864.04	401.62

Summarised statement of profit and loss of the Associates/Joint Venture

(Rs. In Lakhs)

Particulars	JPTL		MTCIL	
	As at 31.03.2018 (Audited)	As at 31.03.2017 (UnAudited)	As at 31.03.2018 (Audited)	As at 31.03.2017 (UnAudited)
Proportion of the Company's ownership (%)	26.00%	26.00%	38.14%	27.90%
Revenue from operations	8,870.14	8,994.15	205.20	25.90
Other Income	286.59	871.27	16.90	0.00
Total Income (I+II)	9,156.73	9,865.42	222.10	25.90
EXPENSES				
Repair & Maintenance Expenses	-	=	82.70	11.30
Employee benefits expense	110.93	101.93	62.70	72.20
Finance costs	2,313.75	2,862.70	187.80	127.50
Depreciation and amortization expense	2,910.28	2,925.26	261.10	222.20
Other expenses	405.47	400.69	37.50	26.70
Total expenses (IV)	5,740.43	6,290.58	631.80	459.90
Profit/(loss) before tax (III-VI)	3,416.29	3,574.84	(409.70)	(434.00)
Tax expense:				
(1) Current tax	734.28	768.11	-	-
(2) Current tax-Previous years				
(3) Deferred tax				
Profit/(Loss) for the year (V-VI)	2,682.02	2,806.73	(409.70)	(434.00)
Company's share of Profit/(Loss) for the year	697.32	729.75	(156.26)	(121.09)
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss -Remeasurement of defined benefit plans	0.06	(0.91)	9.40	1.30
(ii) Income tax relating to items that will not be reclassified to profit or loss				
Company's share of Profit from Other Comprehensive Income	0.01	(0.24)	3.59	0.36
Total Comprehensive Income for the period (VII+VIII)	3,379.41	3,535.33	(552.97)	(553.42)

DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013

(Rs. In Lakhs)

Name of the Company	Net Assets(Total Assets minus Total Liabilities)		Share of Profit or Loss		OCI		TCI	
	2017-18 (Audited)		2017-18 (Audited)		2017-18 (Audited)		2017-18 (Audited)	
	As % of Consolidated net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/(Loss)	As % of Consolidated Other Comprehensive Income	Total Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent Company								
Maharashtra State Electricity Transmission Company Limited	99.49%	10,59,511.54	98.96%	51,257.18	97.91%	168.27	98.95%	51,425.46
Associate/Joint Venture								
Jaigad Power Transco Ltd (JPTL)	0.45%	4,837.19	1.35%	697.32	0.01%	0.01	1.34%	697.34
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	0.06%	602.88	-0.30%	-156.26	2.09%	3.59	-0.29%	(153)
Total	100.00%	10,64,951.61	100.00%	51,798.25	100.00%	171.87	100.00%	51,970.12

DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013

(Rs. In Lakhs)

Name of the Company	Net Assets(Total Assets minus Total Liabilities)		Share of Profit or Loss		OCI		TCI	
	2016-17 (Unaudited)		2016-17 (Unaudited)		2016-17 (Unaudited)		2016-17 (Unaudited)	
	As % of Consolidated net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/(Loss)	As % of Consolidated Other Comprehensive Income	Total Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent Company								
Maharashtra State Electricity Transmission Company Limited	94.66%	10,08,085.68	-498%	(507)	100.01%	(2,036)	131%	(2,543)
Associate/Joint Venture								
Jaigad Power Transco Ltd (JPTL)	0.57%	6118.99	717%	730	0.01%	(0.00)	38%	729.51
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	0.05%	526.72	-119%	(121)	0.02%	0.36	6%	(121)
Total	100.00%	10,14,731.39	100%	102	100.00%	(2.036)	100%	(1.934)

Note 35: Assets hypothecated / pledged as security

The carrying amount of assets hypothecated / mortgaged as security for current and non-current borrowings are:

(Rs.In Lakhs)

Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Unaudited)
Security created in respect of Non-current Borrowings Property, plant and equipment excluding leasehold land	18,93,162	18,98,786
Security created in respect of Current Borrowings i) Inventories ii) Trade receivables	1,40,000	60,000
Total assets as security	20,33,162.00	19,58,786.00

Note 36: Capital Management

The Corporation's objective is to maximize the shareholders' value by maintaining an optimum capital structure. Management monitors the return on capital as well as the debt equity ratio and makes necessary adjustments in the capital structure for the development of the business.

(Rs.In Lakhs)

Particulars	31.03.2018 (Audited)	31.03.2017 (Unaudited)
Long term borrowings (Rs. Lakhs)	5,44,421.65	5,77,217.35
Equity share Capital (Rs. Lakhs)	8,98,497.47	8,98,497.47
Debt to Equity ratio	0.61	0.64

Note 37; Other Notes

37.1 Contingency Reserve and Special Reserve:

As per directions of MERC vide Order No. 31 of 2016 dated 7th July, 2016, the Company for FY 2017-18 has appropriated an amount of Rs. 5881 Lakhs (Previous Year Rs. 5546 Lakhs) towards Contingency Reserve. Further more, an amount of Rs. NIL (Previous Year Rs. NIL) has been appropriated towards Special Reserve.

37.2 Secured Loans:

(Rs In Lakhs)

Name of the Institution	Loan Secured By			Total
	Guarantee train State Government	Hypothecation against future assets	assets Mortgage against existing	
Rural Electrification Corporation	NIL	3,86,612.43	-	3,86,612.43
Power Finance Corporation	12	2,09,152.39	-	2,09,164.39
Union Bank of India		6,118.59	-	6,118.59
Bank of Baroda		5,940.78	-	5,940.78
Bank of India		2,699.46	-	2,699.46
Oriental Bank of Commerce		1,935.61	-	1,935.61

Repayment Schedule of Long Term Loan Liabilities.

Particulars	Rural Electrification Corporation	Power Finance Corporation	Union Bank of India	Bank of Baroda	International Financial Corporation	Japan International Corporation Agency	Oriental Bank of Commerce	Bank of India
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan
Loan Amount	Up to Borrowing Limit	Up to Borrowing Limit	Rs 33570.00 Lakhs	Rs 26400.00 Lakhs	Rs 24460.00 Lakhs	RS 61849.00 Lakhs (16749 million Yen) (12070.58 MJPY)	27673.00 Lakhs	30000.00 Lakhs
Period (Term)	13 Years (3+10)	18 Years (3+15)	15 Years (2+13)	15 Years (2+13)	11 Years (3+8)	15 Years (5+10)	10 years	13 Years (3+10)
Moratorium Period	3 Years	3 Years	2 Years	2 Years	3 Years	5 Years	-	3 Years
Repayment	Repayment is ongoing	Repayment is ongoing	Repayment is Started	Repayment is Started	Pre-Payment	Repayment is Started	Repayment is Started	No.start Repayment
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Debt Restructuring	Capex Funding
Rate of Interest (Floating)	10,66%	11.00 %	8,90% p.a. With annually reset	08.85% p.a. With annually reset	10.57%	0,75%	8.90% With annually reset	8.93% With annually reset
Terms of Payment	Yearly	Quarterly	156 monthly installments	156 monthly installments	Semi Annually	Semi Annually	Quarterly & yearly	20 Half yearly
Upfront Fees	Upto 500 Cr- Nil Above 500 CR-0.01 % of loan amount	Upto 500 Cr- Nil Above 500 CR-0.01 % of loan amount	Nil	Nil	1% of the Loan Sanctioned	Nil	Nil	Nil
Commitment Charges	Upto 500 Cr- Nil Above 500 Cr-0.25% P.A. on undrawn Amount of Quarter till the Date of Actual Drawl	Upto 500 Cr- Nil Above 500 Cr-0.25% P.A. on undrawn Amount of the Previous Quarter from the first day of following Quarter till the Actual Date of Drawl	Nil	Nil	0.50% of the undrawn amount of Loan has not been disbursed	Nil	Nil	Nil
Margin Money Requirement (Equity) From 01.04.2017	25.00%	25.00%	20.00%	20.00%	20.00%	VAT,CST/ ED Paid by MSETCL	Nil	25,00%

Foreign Currency Loan

Loan Secured by	JICA (Rs.) in Lakhs	JICA (¥) in Million
Guarantee from Central Government	27,745.97	4,546.52

¥ Japanese Yen

37.3 In view of multiplicity and difficulty in identification of accounts relating to Micro, Small and Medium Enterprises, information amount unpaid at the year end together with interest paid/payable as required by MSEMED Act, 2006 is not disclosed.

Note 38: Contingent Liabilities (Ind AS 37) :

The Company has due process of assessing the impact of the pending litigation on its financial reporting.

Annexure -A

1. Amaravati Zone

a 1210 EHV O&M Dn. Akola

Case No WP/715/05 for Discontinued from NMR Service High court in favour to Ex-NMR for Compensation hence Appeal in Supreme Court Delhi against Md Sadiq. Imdadul Haq in Supreme Court Delhi amount involved Rs 70 Lakhs. Case not yet started.

Case no W.C.A.10/2015 in High Court Aurangabad for compensation for Late Husband who dead on duty by Sou.Rekha S.Dikondwar & other one Latur amount involved Rs 34.90 Lakhs. Amount deposited in court Rs 7.78 Lakhs

b 1620 EHV Const. Div. Amravati

In the matter of Arbitration and conciliation act 1996 for grant of interm injunction against M/S H.T. Associates proceeding started before Hon'ble Arbitrator, Nagpur amount involved is Rs 57.73 Lakhs

2. Aurangabad Zone

a. 2100 : O&M Circle, Aurangabad

Application for grant of Higher Grade Benefit on 3rd occasion to Ex Emp (Shri Vishnukumar D Mukkirwar, Dy Manager(F&A)) is pending against SE, EHV O&M Circle Aurangabad before Aurangabad Bench of Bombay High Court vide WP No. 2873/2015 Dt 12.03.2015. As there is no Financial Implication or Loss to the Company because the Employee's claim is not valid & not tenable as per MSETCL's Circulars & Service Regulation

b. 2710 : CCCM On. Aurangabad

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

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

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

Further, summons from Hon. High court Mumbai, Aurangabad bench for arbitration appeal No.8/2010 & 7/2010 scheduled at 16/07/2010. The judgement was given by the Hon'ble High Court Mumbai Bench Aurangabad on dated 25/04/2011 & referred the matter to the sole Arbitrator. But MSETCL opted to file SLP against the order. Now special leave petition vide SLP No. 15457/2011 dated 09/05/2011 (Matter-I) and SLP No.15309/2011 dated 06-05-2011 (Matter-II) is filed in Hon'ble Supreme Court Delhi. As per supreme court order against SLP No. 15457/2011 dated 09/05/2011 (Matter-1) granted stay and SLP No.15309/2011 dated 06/05/2011 (Matter-II) the amount involved is small, the SLP is dismissed and again referred the matter to the sole arbitrator.

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

c 2610: EHV Project Division, Aurangabad

MSETCL has filed 6 Nos Special Leave Petitions in Apex court against the land compensation order passed by District Collector, Abad & MERC decision on revision petition. Collector orders for compensation are not as per the Govt Resolution dtd 01.11.2010. 6 Nos Writ petitions were filed before Hon. High Court A'bad & same are dismissed by the High Court Abad stating that the remedy of appeal available to the applicant. Rs. 139 Lakhs equivalent to the order amount passed by the District Collector, Aurangabad was deposited by MSETCL to the High Court, Aurangabad. Matter is under process at Apex court.

d 2610: EHV Project Division, Aurangabad

District Collector, Jalna has passed an order for land compensation in r/o Shri. Sandeep A. Sawande & others involved in 132kV Jalna - Jafrabad line which was commissioned long back before the provision of GR for land compensation & also the area considered for calculation of land compensation is non factual. Hence, this office appealed before District Court, Jalna for cancellation of compensation. Due to non receipt of any decision from District Collector, Jalna, MSETCL has approached to the court as per the directives from CLA, Mumbai.

e 2630:- EHV Projects Division, Nanded

Case filed Dadarao Pungal & 15 Other-The cultivator namely Shri Dadarao Purbhaji Mungal & 15 Others had filed petition againsts land compensation for old transmsion line namely 132Kv Nanded-Umari line ,132Kv Kurunda -Hingoli line which were commissioned in 1998 & 1989 respectively. But the said cultivators are demanding for land compensation as per GR Energy-4 date 01/11/2010 for tower occupied land,hence they have cliamed of compensation in Rs. 20 Lakhs in court of Hon.District Magistrate Nanded for final hearing was also conducted by hon DM ,Nanded and final decision is awaited.Hence the liability may comes to Rs.20 Lakhs.

3. Karad Zone

a 3700 : EHV CCCM Circle, Kolhapur Petition No. 39/2017

Agency Name : M/S Lustre Engineering Corporation, Navi Mumbai.

At : Joint Director of Industries Kokan Region, Thane under MSMED Act, 2006

Work : Replacement of existing Transformers by higher Capacity funded JICA under Sangli & Satara District. (Package 15B)

W.O. No. CE/EHV CCO&M/ZONE/KRD/440 Dt. 05.02.2010

Claims for Interest on delayed payment of R.A.Bill (Civil+Electrical) and Retention amount of Re.76.63Lakhsason 14.02.2018

b 3230 : 400KVRS Division Talandage

Case pertaining to Grampanchayat Talandage Tal-Hatkangale Dist Kolhapur before BDO Hatkangale amountingtoRs.124Lakhs.

4. Nagpur Zone

a 4210 : EHV (O&M) Div Ballarshah case No. 172/13

Truck Accident case of EHV (O&M) Div Ballarshah vs Smt Malan w/o Ramu Alam before motor accident tribunal chandrapur, in this case amount involved of Rs. 20.11 Lakhs and tribunal has grant immediate compulsory relief of "No Fault Liability" claim of Rs. 50,000/- to the applicants/claimants and final decision of court is awaited.

b 4710 : CCCM Dn. Nagpur Case No. 42/2003

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

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

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

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

The case is disposed off by the High Court of Mumbai and has refered 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.

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

c 4310 : HVDC TL O&M Division, Chandrapur Case No.410 dt. 27.04.1993

i) M/s. Ganesh Engg. Company, Nagpur has filed a suit in Nagpur District Court, claiming dues of Rs. 80.95 Lakhs against tender No.T-13, T-16, T-17 & two work orders issued in the year 1987-88 for the sub setting & erection of 400KV Chandrapur-Parli D. C. Line. Counter claim of Rs. 3.08 Lakhs was filed by erstwhile MSEB against above agency towards recovery of charges of T&P, Material, Vehicle etc. Hon. Court has decided the aforesaid matter in favour of M/s. Ganesh Engg. Co. and directed to pay the claim Re. 80.95 Lakhs along with interest @ 6% from the date of filing of suit (27.04.1993) till the scheduled date of deposit (20.08.2009) which totally amounts to Rs. 160.35 Lakhs. The Counter claim was dismissed by the court. However, on application of MSETCL, Hon.High Court, Nagpur Bench granted stay on decree after deposit of Re. 160.35 Lakhs in the Court. Accordingly MSETCL has deposited Rs. 160.35 Lakhs in the High Court, Nagpur bench

M/s. Ganesh Engg. Company, Nagpur has requested Hon. High Court to give decision at the earliest, however, Hon. Court rejected the plea of M/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 within 3 weeks from Dt. 11/02/2014. The contingent liability in this case may amount to Rs. 160.35 Lakhs .

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

d 4710 : CCCM Dn.Nagpur Case Dated 03.03.2014

Work of construction of gantry foundation & allied Civil works at 132 KV S/tn Hingna-11 Nagpur to M/s. Unique Associates, Nagpur. Work order placed by SE(C). WO Amt. Rs. 4566.03 Lakhs. Due to slow progress work terminated by SE(C) Agency invoked arbitration. Arbitration claim Rs. 48.13/- Lakhs. Revised claim submitted by the agency on 28.09.2015 for Rs. 65.52/- Lakhs.

5. Nashik Zone

a 5620 : EHV Project Division Jalgaon_60/95 FA 687/2001 dt. 23-06-1995

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

The Jalgaon Court on 23.03.2001 passed the order against erstwhile MSEB to pay Rs. 6.96 Lakhs to the contractor towards final bill after recovering Rs.10,354 from the petitioner which is due to MSETCL & Rs. 1.54 Lakhs against supply of water cost, risk. The MSEB had deposited Rs. 5.32 Lakhs in the court by deducting the abovementioned amount. After receipt of certified copy of the judgement, the MSEB appealed in High Court of Mumbai Bench at Aurangabad on 03.03.2002 against the decision of Hon Senior division Court Jalgaon. At present Hon' High Court Bench Aurangabad transferred to Dist. Court Jalgaon on dtd 08.02.2012. Now the case is still pending at Dist. Court Jalgaon. The contingent liability may amount to Rs. 5.32 Lakhs.

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

Award towards additional land compensation declared on 5.11.2011 by Shri JM Phadke, Sole Arbitrator, Pune is challenged in court of Law at Dhule & now at Jalgaon in Sep-2013. Contractor M/s.Varsha Constn.Co.Dhule. The liability may comes to Rs. 15.54 Lakhs

c 5720 : CCCM Dn. Jalgaon Case no. 331/2008 & RTS Appeal dt. 04.06.2010

Regarding decision of Commissioner Nasik for payment of Royalty charges to Shri. Babulal Shaligram Bharlia, Dhule , in respect of 220KV Amalner sub-stn. Dist. Jalgaon. Royalty charges for Hard Murum (used for Land Development work) extracted from Sub-stn premises for Cutting & Filling so as to bring both surfaces in one Level. The liability may be of Rs. 12.77 Lakhs. Hearing is done on 18-12-2017 in front of Collector Jalgaon & Order is awaiting.

6. Pune Zone

a 6100 : EHV O&M Circle, Pune

Name of Court - Labour Court, PMT BUILDING NO.1, FIRST FLOOR, SWARGATE, PUNE. Case against-Shri.Milind Madhukar Wagh. This case is transferred to Hon.Civil Court Pune. Amount involved is Rs.12/- Lakhs and amount deposited in court Rs.10.69/- Lakhs.

b 6130 : 400KV RS Division, Lonikand

The case is regarding excess Grampanchayat Tax levied by Grampanchayat, Vadhu Budruk. Rs. 83.61 Lakhs deposited on 25.01.2018. Amount involved Rs. 83.61 Lakhs. Name of Court where suit was file - Bombay High Court.

c 6210 : EHV O&M Division, Solapur

The case is against - Sarpanch Grampanchyat, Malinagar. Amount involved is Rs.17.24 Lakhs. Name of Court where suit was file-District Court I.

d 6700 : EHV CCCM Circle, Pune

Shri. S R Bansal, the then SE (Civil) has been imposed with the punishment of "Removal from Services wef 25.10.2011". Shri. Bansal has been paid 113 rd of Gratuity Advance as per prevailing rules and he was suspended on 21.01.2010 due to red handed caught by ACE trap. Shri. Bansal has been charged with two cases viz. An ACE Trap case and Disproportionate Property case and the proceedings for both the cases are still going on and the decisions are awaited. The approximate amount of final Gratuity Rs.8.17 Lakhs and final leave encashment is Rs 8.63 Lakhs. Total Amount involved is Rs.16.80 Lakhs

e 6720: EHV CCCM Division, Pune

The case is against M/s. R.R.Kapoor. Arbitration case is in process. Amount involved is Rs.109/- Lakhs.

7. Vashi Zone

a 7100: EHV O&M Circle, Kalwa

Petition No- 41/2017-Petition No- 41/2017 in r/o Luster Engineering Corporation for interest on delay payment. Amount involved Rs. 4.61 Lakhs

b 7210 : EHV (O&M) Division Panvel

Court Case Number-No. 178/09, Suit No. 178/2009. M.A.Segar Vs EHV (O&M) Division Panvel. This case is about accident of hired vehicle (Indica Car) No.MH 14 BA 181 at EHV (O&M) DN.Panvel.(Motisingh Haanumansingh Seger). Amount involved Rs. 2.47 Lakhs.

c 7630: EHV Project Division, Kalwa case no. 66/2017 and case no. 37/2017

M/s Lustre Engineering corporation awarded work contract of shifting of 220kv Kalwa- Mulund-II & Mulund- Trombay line in MCGM area of Kanjur Landfill.on dated 14.02.2013. Agency had stopped work since 26.10.2016 and claiming idling charges for the time taken for approval of the extra item proposal by MSETCL.Agency has filed an arbitration petition no. 66/2017 in the Hon. High Court, Bombay dt. 03.04.2017, Amount involved in case is Rs. 2,999.29 Lakhs.

current status: Agency submitted statement of claim on 11.01.2018 before the Sole Arbitrator Retd. Justice Shri Anand V. Nrigude to which MSETCL submitted its statement of defence on 27.02.2018. now the dispute is at the stage of framing the issues which shall be done on 11.06.2018.

Also Agency has filed a petition no. 37/2017 in Micro & Small Enterprises Facilitation Council, Wagale Estate, Thane for claim of retention Money of Rs. 85.22 Lakhs which is not paid by MSETCL and interest thereon @ 41.1% (approx) of Rs. 27.25 Lakhs

d 7630: EHV Project Division, Kalwa case no. 36/2017

M/s Lustre Engineering corporation awarded work contract of Augmentation work at 220KV Nerul S/S by 50MVA, 220/33-22KV Transformer on dt 24.09.2010. Agency has filed petition no. 36/2017 in the Hon.ble Director Micro and Small Enterprises Facilitation Council, Konkan Division, Thane for Interest on Late payment of Bills. Amount involve in case is Rs. 46.28 Lakhs.

e 7710 : CCCM Dn. Airoli Case No. 398 of 2008

The contract of construction of Chief Engineer's Bunglow & Class I Jr. at Sector-19, Vashi, Navi Mumbai was awarded to M/s. D.S. Construction, Ulhasnagar by the Suprintending Engineer (Civil) CCCM Circle, Kalyan MSEB (Now MSEDCL) 7th & final bill was not acceptable, hence the dispute was placed before Arbitral Tribunal. The arbitration tribunal finely awarded total amount of Rs. 41.59 Lakhs against various claims of the agency. Hence, Arbitration Petition No. 398/2008 in Bombay High Court. The liability may comes to Rs. 75.50 Lakhs

f 7710 : CCCM Dn. Airoli

Land dispute with M/s Yogeshwar Developers. Case is with Civil Court, Vasai. No Financial Liability involved.

g 7110 : Bhandup Division

Received the Property Tax demand notice for Sonkhar substation in the month of November 2016 for 6 years. The total amount demanded by the department of Navi Mumbai Municipal Corporation is Rs 6388 Lakhs. The Executive Engineer of the respective division has visited the NMMC's department for the discussion of this issue, based on which they have confirmed that this demand may come below 50% of the total notice value. Amount involved of Rs.1318 Lakhs.

h 7720: CCCM Dn. Panvel

1001kv Nerul S/stn. Acquisition of land (Existing 220kv Nerul S/s) Amount shown is Approximate figure. Rs 10.00 Lakhs .

The agreement is yet to be executed, which is pending due to dispute between CIDCO & MSETCL regarding D.P.C. and area of plot in possession. The matter is referred to the marketing Manager -I, CIDCO. Letter no 249 dtd. 27.07.2010 from the Dy.EE(Civil), EHV CCCM S/dn. Kharghar

i 7720 : CCCM Dn. Panvel Case no 175/2014_ Smt.Godavari Shantaram Shahane and others

Case no 175/2014_ Smt .Godavari Shantaram Shahane and others:

The land admeasuring 331sqm (s.No.27a/8a) of village Shil. Tal. Khalapur was utilised previously for watersupply arrangement for 100kv khopoli s/s . The Bathe karar was executed in year 1971 Now Smt.Shahane (present Owner) had filed regular Civil suit no. 91/2008 for cancellation of agreement(Sathe Karar) for sale and permanent injunction. The Jt. Civil Judge Junior Division Khalapur had dismissed the case. Now the plaintiff has filed Civil appeal No.175/2014 in District Court Alibag amount involve Rs 10 Lakhs

8. SLDC Zone

a 8000 : SLDC, Kalwa

Court Case no-A NO. 122 OF 2016 IN-MSLDC appealed against the CERC order in case 008/SM/2014; One lakh penalty imposed on SLDC for non-compliance of directions issued by RLDC (Adv MY Deshmukh)

b 8000 : SLDC, Kalwa

MSLDC's Civil Appeal in SC 2902 of 2014 - MSLDC's appeal against APTEL's order in case 175.Appeal filed on 9 Dec 2013. Adv MY Deshmukh is appointed for it. SC stayed Rs 1 lakh cost to be paid as donation to the NGO. (Adv MY Deshmukh)

All Zone Land Compensation, Crop Compensation and ROW Cases pending F.Y 2017-18.

Annexure - B

The information regarding contingent liabilities pending as on 31.03.2018

(Rs.in Lakhs)

Sr. No.	Profit Centre No. of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1) Amaravati Zone						
1	1210	EHV O&M Dn. Akola	Civil Court	Pushplata A. Aware, Akola	8.26	2.25
2	1620	EHV Const.Div. Amravati	Civil Court (Lower) Pusad	EE MSETCL Amravati V/S Kausar Khan Akthar Khan, Pusad	2.72	-
3	1620	EHV Const.Div. Amravati	Civil Court, Yavatmal	Mohammad Aslam, PO-Yavatmal.	1.50	-
4	1710	EHV CCCM Div. Amravati	C.J.S.D. Darwaha	Shri Uttamrao Raut Land Owner	27.44	-
5	1710	EHV CCCM Div. Amravati	District & Session Judge Yavatmal	M/s AKD Associates Nagpur	5.81	-
6	1710	EHV CCCM Div. Amravati	Adhoc D.J.2 Amaravati (Judge-P.R.Modak)	M/s A.K.D. Associate Nagpur	2.86	-
2) Auragabad Zone						
1	2000	EHV Projects Cum O&M Zone Aurangabad	High Court of Judicature At Bombay, Bench At Aurangabad	The Chief Engineer, EHV PC O&M Zone, Aurangabad	2.40	-
2	2000	EHV Projects Cum O&M Zone Aurangabad	High Court of Judicature At Bombay, Bench At Aurangabad	The Chief Engineer, EHV PC O&M Zone, Aurangabad	1.90	-
3	2100	EHV O&M Circle Aurangabad	Hon. High Court, Mumbai, Aurangabad Bench	SE EHV O&M Circle Aurangabad	-	As there is no Financial Implication or Loss to the Company because the Employee's claim is not valid & not tenable as per MSETCL's Circulars & Service Regulation
4	2610	EHV Project. Divn. Aurangabad	High Court of Bombay Bench at Aurangabad	Nandu Bala Rathod & others	8.29	8.29
5	2610	EHV Project. Divn. Aurangabad	High Court Aurangabad	Arunabai Shivsigh Pardesi Vs State of Maharashtra	-	-
6	2610	EHV Project. Divn. Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Kisanlala Bramhanath & 11 others	139.00	-
7	2610	EHV Project. Divn. Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Babu R. Chavan & 7 others	-	-

(Rs.in Lakhs)						
Sr. No.	Profit Centre No. of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
8	2610	EHV Project. Divn..Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Ambadas Dhavle & 56 others	-	-
9	2610	EHV Project. Divn..Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Kalash Bala Bodkhe & 5 others	-	-
10	2610	EHV Project. Divn..Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Dhansingh P. Rathod & 249 others	-	-
11	2610	EHV Project. Divn..Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Shankar K. Rathod & 14 others	-	-
12	2610	EHV Project. Divn..Aurangabad	High Court of Aurangabad	District Collector, Abad, Ramkisan A. Jinwal & 13 others	-	-
13	2610	EHV Project. Divn..Aurangabad	District Court Aurangabad	Chainsingh A. Jonwal	2.00	-
14	2610	EHV Project. Divn..Aurangabad	Hon. High Court of Bombay Bench at Aurangabad	MSETCL Vs Chainsingh Asaram Jonwal	2.00	-
15	2610	EHV Project. Divn..Aurangabad	District Court, Jalna	Sandeep A. Sawade & others	12.00	-
16	2620	EHV Project Dn. Latur	High Court Aurangabad	Rukhminibai Sanjeevanrao Deshmukh died thru LRSS Deshmukh & Others	184.60	90.00
17	2630	EHV Construction Division Nanded	District Magistrate Nanded	Shankar Laxman Dhange & Other 19	10.00	-
18	2630	EHV Construction Division Nanded	District Magistrate Nanded	Vimal Balaji Puyad	1.91	-
19	2630	EHV Construction Division Nanded	District Magistrate Nanded	Shri Dadarao Pubhaji Mungal & 15 Other	20.00	-
20	2630	EHV Construction Division Nanded	District Magistrate Parbhani,	Chander P. Kasture & Others i/r of 400KV Chandrapur-Parli line	10.00	-
21	2630	EHV Construction Division Nanded	High Court Aurangabad	Shri.Pravin Nagnathrao Paldewar	10.00	-
22	2710	EHV CCCM Division Aurangabad	Hon'ble Supreme Court New Delhi	M/s Balraje Construction, Georai Dist. Beed	89.52	13.07
23	2720	EHV CCCM Division Parbhani	Hon. High Court bench Aurangabad	Shri. Namdev Ramiji Gudekar r/o Himayatnagar Dist.Nanded. V/S	20.06	-
24	2720	EHV CCCM Division Parbhani	Hon. C.J.S.D. Court Gangakhed.	Anantrao K Ambekar Through LRS Smt. Ushatai A Ambekar & others.	1.20	-
25	2720	EHV CCCM Division Parbhani	Hon. HC Aurangabad	Smt. Budhabai Balaji Hamad R/o Kumdahwadi	1.57	0.75

Sr. No.	Profit Centre No. of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	(Rs.in Lakhs)	
						Amount Deposited in the Court if any (Rs.)	Amount Deposited in the Court if any (Rs.)
26	2720	EHV CCCM Division Parbhani	Hon. High Court bench Aurangabad	Smt. Punjabai Dhondiba Madane r/o Umri	7.99	8.20	
27	2720	EHV CCCM Division Parbhani	In The Court OF Ho. Ble Civil Judge Sr.Dn. At .Nanded	1) Namev S/o. Ramji Gudetwar 2) Narayan S/o. Ramji Gudetwar 2/1) Smt.Shantabai Narayanrao Gudetwar 2/2) udarshan S/o Narayanrao Gudetwar 2/3) Gajanan S/o. Narayanrao Gudetwar	1.71	-	
28	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	Veermath Sansthan Trust. Ahmedpur Dist. Latur	107.00	10.80	
29	2730	EHV CCCM Division Latur	Dist. Court Osmnabad	Smt. Pushpabai Vijaysingh Rajje	25.00	-	
30	2730	EHV CCCM Division Latur	Hon. Supreme Court, Delhi.	Rajendra N Gaikwad, Beed	79.26	-	
31	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	1) Haidarsab S/o Kasimsab Shaikh 2) Husensab S/o Haidarsab Shaikh 3) Abdulrhemam S/o Haidarsab Shaikh 4) Amir S/o Haidarsab Shaikh	1,072.00	100.00	
32	2730	EHV CCCM Division Latur	Dist. Court Latur	Sambappa Shankarappa Raut & others	125.00	-	
33	2730	EHV CCCM Division Latur	CJSD Nilanga		43.07	43.07	
34	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	Veermath Sansthan Trust. Ahmedpur Dist. Latur	6.69	-	
35	2730	EHV CCCM Division Latur	Dist Court Osmanabad	Shri. Gulam Mohuddin Imam Saheb & others	3.49	-	
36	2730	EHV CCCM Division Latur	District Court Ambejogai	Chadrashekhar S/O Sadasshiv Dhabikar	80.25	-	
3) Karad Zone							
1	3610	Kolhapur	Higher Court, Kolhapur	M/s.Banchode Constn.Kolhapur	27.00	-	
4) Nagpur zone							
1	4610	EHV Const. Dn-I,Nagpur	High Court Bombay at Bench Nagpur	Smt. Kalpana Jain (Ravindra Rukhbadas Jain Gahankari) Vs. MSEB	24.52	4.84	
2	4610	EHV Const. Dn-I,Nagpur	Distt Court Chandrapur	Shri Manohar Shantaliwar Vs. MSEITCL	0.76	-	
3	4610	EHV Const. Dn-I,Nagpur	District Judge-7 Nagpur	Shri Bhudev C. Wandhe	220.00	-	
4	4610	EHV Const. Dn-I,Nagpur	District Judge Nagpur	Shri Devanad Dattuji Awale	300.00	-	
5	4610	EHV Const. Dn-I,Nagpur	District Judge Nagpur	Smt Anusaibai Dattuji Awale	750.00	-	
6	4610	EHV Const. Dn-I,Nagpur	Distt. Judge, Wardha	Shri Ashok Shyamsunder Agarwal & 02 others	395.65	-	

(Rs.in Lakhs)						
Sr. No.	Profit Centre No. of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
7	4610	EHV Const. Dn-I,Nagpur	District Court Civil,Nagpur	Shri Harish Daulatrao Ramteke	800.00	-
8	4610	EHV Const. Dn-I,Nagpur	District Judge No. 3,Nagpur	Smt Sunanda Dhanraj Bhalerao	400.00	-
9	4610	EHV Const. Dn-I,Nagpur	High Court Nagpur Bench	Shri.Ramchandra Jagannath Kulkarni & others	70.37	-
10	4610	EHV Const. Dn-I,Nagpur	High Court Nagpur Bench	Shri Pandurang Haridas Kite & others	2.00	2.00
11	4610	EHV Const. Dn-I,Nagpur	Distt. Judge, Wardha	Shri Mohan Barole	5.04	-
12	4610	EHV Const. Dn-I,Nagpur	Distt. Judge, Wardha	Mrs. Chandrakala Mohan Barole	42.75	-
13	4610	EHV Const. Dn-I,Nagpur	District Judge 17, Suyog Building, Nagpur	Shri. Ghanshyam Umraoji Bhalerao	800.00	-
14	4630	EHV Projects Dn Chandrapur	District Judge-01Warora	Shri Mahadeo Jivtode	90.00	-
15	4630	EHV Projects Dn Chandrapur	District Judge-01Warora	Sau. Kalpana Mahadeo Jivtode	60.00	-
16	4630	EHV Projects Dn Chandrapur	District Judge-01 Warora	Sau. Suman Maroti jivtode	27.99	-
17	4630	EHV Projects Dn Chandrapur	District Judge-01 Wardha	Sau. Kalpana Eknath Kapse	15.00	-
18	4630	EHV Projects Dn Chandrapur	Collector Chandrapur	Shri. Chandran Kuttapan Endu Ezshava	0.60	-
19	4210	Ex. Engineer EHV O&M Division,ballarshah	Labour Court,Chandrapur	Shri M.H. Kawade, Ex.Sr.optr	-	-
20	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc Distt Judge, Nagpur	Maharashtra State Textile Corporation V/S MSETCL Compensation of amount under award date 14.06.2000 in respect of land at Jattarodi	615.00	-
21	4710	EHV CCCM DIVISION, NAGPUR	Civil Judge Sr Dn. Nagpur	M/s Vijay Wargi & Sons V/S MSETCL-Claim for 220KV S/stn Umred	26.53	-
22	4710	EHV CCCM DIVISION, NAGPUR	5th Jt Civil Judge Sr Dn. Nagpur	Shriram Trading Co. Case filed against award of arbitrator	2.67	-
23	4710	EHV CCCM DIVISION, NAGPUR	6th Jt.Civil Judge Jr Dn. Nagpur	Lucky construction V/S MSETCL Case filed for non-handing over of complete site-jat-Tarodi	2.63	-
24	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc. Distt Judge, Nagpur	Rajan Nagpal, Nagpur V/s MSETCL/GOM/Sp.LAO,Nagpur. Land case at Yenwva(katol)	0.12	-

(Rs.in Lakhs)						
Sr. No.	Profit Centre No. of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
25	4710	EHV CCCM DIVISION, NAGPUR	9th Jt Civil Judge Si Dn Nagpur	Sudhir Sahani V/S MSETCL claim for final bill amount in respect of gantry, equipment foundations at sindewadi	19.27	
26	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc. Distt Judge, Nagpur	Ajay Akhand, Fetri, Ashok Gormade, Chicholi, Nagpur V/s MSETCL/GOM/ Sp.LAO, Nagpur Land Case at Yenwa (Katol)	0.22	
27	4720	Office of the Executive Engineer (Civil) EHV CCCM Division, MSETCL Chandrapur	Court of Sub Divisional Officer Hinganghat	MSETCL VS Tahasildar Samudrapur	15.55	5.51
28	4720	Office of the Executive Engineer (Civil) EHV CCCM Division, MSETCL Chandrapur	Civil Judge Senior Division Warora	Maharashtra case & other VS Dadaji Thengane & Others	5.18	
29	4720	Office of the Executive Engineer (Civil) EHV CCCM Division, MSETCL Chandrapur	No case filed in Court discussed on local level	MSETCL vs Grampanchayat Tulana	88.00	
30	4720	Office of the Executive Engineer (Civil) EHV CCCM Division, MSETCL Chandrapur	Appeal to be made in the Court of Hon'ble SDO Warora	MSETCL VS Tahasildar Warora		2.89

5) Nashik Zone

1	5610	EHV Project Division Nashik	District Court Nashik	Shri Jagannath Raghunath Dhikale	2.27	-
2	5610	EHV Project Division Nashik	Civil Court, Kopergaon	Shri Shankar Namdev Aher	15.60	-
3	5610	EHV Project Division Nashik	District Court, Ahmednagar	Smt. Jijabai Ramdas Nawale	9.03	-
4	5610	EHV Project Division Nashik	Civil Court, Kopergaon	Kamalabai Yadav Nibe	20.00	-
5	5620	EHV Project Division Jalgaon	Hon. Senior Divisional Court Jalgaon	MS. M. R. Mistry Construction Ltd. Dhule	9.25	5.32
6	5620	EHV Project Division Jalgaon	District Court Jalgaon	Shri Kishor Zope & Others	105.00	-
7	5710	EHV CCCM Dn. Nashik	HIGH Court, Bench, Aurangabad	Mr.R. C. Nawandar & others	79.71	79.71
8	5710	EHV CCCM Dn. Nashik	HIGH Court, Bench, Aurangabad	Heirs of Late Bahiru Raghinath Gunjal	9.06	14.12
9	5710	EHV CCCM Division Nasik.	High Court Mumbai Bench Aurangabad	Mr.R. C. Nawandar & others 5	84.69	84.69
10	5710	EHV CCCM Division Nasik.	Bombay High Court	Shubhashani Construction, Nashik & others 7	106.00	87.85

(Rs.in Lakhs)						
Sr. No.	Profit Centre No. of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
11	5710	EHV CCCM Division Nasik.	High Court Mumbai.	Shri N.S. Suryawanshi & 21 Others	45.58	-
12	5710	EHV CCCM Division Nasik.	High Court, Bench, Aurangabad	Mr. B. R. Gunjal & Ors. 7 Nominees	27.65	27.65
13	5710	EHV CCCM Division Nasik.	High Court, Bench, Aurangabad Dt.1.07.2009	Mr. S. R. Wani & Ors.6 Shevgaon, Dist. Nagar	64.35	27.70
14	5710	EHV CCCM Division Nasik.	Section Court, Malegaon	Shri. P. V. Patankar & other	6.85	-
15	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri R C Agrawal , Chopada	39.52	17.76
16	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri K B Chavan , Chopada	14.52	6.51
17	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri P N Patil & 03 others , Shahada.	10.25	9.97
18	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri R G Patil & C G Patil Shahada	75.95	-
19	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Smt Kalabai Khandu Patil, Parola	8.35	8.35
20	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri Prakash S Patil, Parola	18.23	18.23
21	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri Rama Shripat Patil,Parola	12.22	12.22
22	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Shri Daga Shripat Patil,Parola	14.35	14.35
23	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Smt Parvatabai Rajaram Mahajan , Raver	75.00	-
24	5720	EHV CCCM Dn Jalgaon	High Court Aurangabad	Mohd. Ali Hussain Ali, Chopada	84.14	21.04
25	5720	EHV CCCM Dn Jalgaon	CivilJudge JD Sakri Dist. Dhule	Smt Sindhubai V Patil & others	10.00	-
26	5720	EHV CCCM Dn Jalgaon	CivilJudge JD Chalisgaon Dist. Jalgaon	Abdul Rehman Abdul Razzak Khatik,Chalisgaona	80.00	-
27	5720	EHV CCCM Dn Jalgaon	2nd Jt.CivilJudge SD Dhule Dist. Dhule	Mohanlal Shaligram Bhartia, Dhule	10.00	-
28	5720	EHV CCCM Dn Jalgaon	2nd Jt.CivilJudge SD Dhule Dist. Dhule	Mohanlal Shaligram Bhartia, Dhule	12.00	-

(Rs.in Lakhs)

St. No.	Profit Centre No. of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
6) Pune Zone						
1	6200	EHV O&M Cir.Solapur	Industrial Court,Solapur	CMD/ T N Bhimale	0.75	-
2	6210	EHV O&M Dn.Solapur	Civil Court Solapur	EE EHV SolapurN.D.Somvashi	3.50	3.50
3	6210	EHV (O&M) O&M Dn Solapur	District Court I Malshiras	Sarpanch Grampanchyat,Malinaqar	17.24	-
4	6210	EHV (O&M) O&M Dn Solapur	Civil Court , Barshi	Sidhanath Developer, pune	-	-
5	6230	EHV O&M Div Baramati	District Court Bramati	Shri.Anna Kondiba Bendre	10.50	-
6	6610	EHV Proj.Dn.I Pune	Civil/Judge Jr.Dn.at Bara	Mrs. Shahnaj Jafer Mulani	30.00	-
7	6630	EHV Projects DIV. III Solapur	District & Session Court	Vijaykumar Jadhav	225.00	-
8	6710	EHV CCCM Dn Solapur	District Court Solapur	Sou. Sulochana P. Birajdar, Solapur.	10.00	-
9	6710	EHV CCCM Dn Solapur	High Court Mumbai.	Shirish Yashwant Bhatlawande	185.00	-
10	6710	EHV CCCM Dn Solapur	District Court Solapur	Alrafi ustad & other	-	-

7) Vashi Zone

1	7240	EHV O&M Dn Dombivali	Mumbai H/C	Smt Suman Namdeo Zalte & others VS E.E.MSEB Mohone Dist Thane	1.18	-
2	7620	EHV Project Division,Kalyan	Civil Court palghar, Tal:-Palghar Dist:-Palghar	Chintaman HirajPatil	-	-
3	7620	EHV Project Division,Kalyan	Civil Court palghar, Tal:-Palghar Dist:-Palghar	Smt.Meenakshi Dinesh Naik	-	-
4	7620	EHV Project Division,Kalyan	Civil Court Bshivindi, Tal:- Bshivindi Dist:-Thane	Sudasthan Namdeo Kene Patil & others	-	-
5	7620	EHV Project Division,Kalyan	Civil Court Bshivindi, Tal:- Bshivindi Dist:- Thane	Smt Varsha Vilas Patil. 8 Smt. Sarika Sandie Bhagat	-	-
6	7620	EHV Project Division,Kalyan	Civil Court Bshivindi, Tal:- Bshivindi Dist:- Thane	Abrar Ahmad Abdul Hamman Khan & Others	-	-
7	7620	EHV Project Division,Kalyan	Civil Court Kalyan, Tal:- Kalyan Dist:-Thane	Ramesh D. shah	-	-

8) SLDC Zone

		NIL				

Annexure - C
Details of Disputed dues of Income Tax as on 31.03.2018

Nature of Dues	Period (A.Y) to which amount relates	Forum where matter is pending	Amount Payable / Refundable / Adjustments
Employee State Insurance	Various Years from FY 1968-1996	Employee State Insurance Court Pune,	Amount Of Rs 22 Lakhs is pertaining to Pune Urban Zone of erstwhile MSEB regarding applicability of ESIC Scheme. The amount is pertaining to R.S O&M Division Pune transferred to Pune Urban Zone, MSEB. The ESIC authority appealed in 2006 in Mumbai High Court.
Fringe Benefit tax	2006-07	The Assistant Commissioner of Income-tax, Circle 14(2)(1)-Mumbai	A demand of Rs. 17,57,875/- was raised by the income tax department in terms of an Order dated 31 December 2008. passed under section 115WE(3) of the Income-tax Act, 1961. A rectification application was preferred against the same - the same is pending with the Assessing Officer - after rectification of errors apparent on record viz., non credit of self-assessment tax paid and interest charged in excess under section 115WJ(3) of the Income-tax Act, 1961 - no sum is payable by the Company.
Income-tax	2007-08	The Income-tax Appellate Tribunal	NIL
Fringe Benefit tax	2007-08	The Deputy Commissioner of Income-tax, Circle 14(2)(1)-Mumbai	A demand of Rs. 73,32,362/- also refer our emails dated 05 December 2017 and 28 September 2017.
Income-tax	2008-09	The Income-tax Appellate Tribunal (Department Appeal)	A demand of Rs. 3,28,40,877/- (In terms of OGE dated 22 September 2011 an amount of Rs.3,28,40,877/- is payable Rectification Letter dated 01 February 2012 filed with ACIT -10(1) against the same pointing out the errors apparent on record - 1. Non granting of relief vis-a-vis the excess disallowance of depreciation to the tune of 28,11,46,639/- After rectifying the errors amount refundable is Rs. 20,93,15,025/- However the same has not been acted upon).
Fringe Benefit tax	2008-09	The Deputy Commissioner of Income-tax, Circle 14(2)(1)-Mumbai	A demand of Rs.24,45,709/- also refer our emails dated 05 December 2017 and 28 September 2017.
Income-tax	2009-10	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 1,90,00,83,669/- raised in terms of the Order dated 30 March 2011 passed u/s. 144 r.w.s. 147 of the Income- tax Act, 1961. The matter has been heard by the CIT(A) and a remand report from the AO is awaited.
Fringe Benefit tax	2009-10	The Deputy Commissioner of Income-tax, Circle 14(2)(1)-Mumbai	A demand of Rs. 25,74,948/- also refer our emails dated 05 December 2017 and 28 September 2017
Income-tax	2010-11	The Income-tax Appellate Tribunal	A demand of Rs. 35.19 Crs. (after adjustment of refund of Rs.18.53 crores of AY 2011-12). The CIT(A) vide his Order dated 10.02.2015 has allowed the appeal, however, an Order giving effect is as yet pending to be passed.

Annexure - C
Details of Disputed dues of Income Tax as on 31.03.2018

Nature of Dues	Period (A.Y) to which amount relates	Forum where matter is pending	Amount Payable / Refundable / Adjustments
Income-tax	2010-11	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs.3,10,34,590/- has been determined as payable in terms of an Order dated 21 December 2017 passed u/s. 143(3) r.w.s. 147 of the Income-tax Act, 1961.
Income-tax	2011-12	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Amount of Rs. 18,53,09,560/- determined as refundable as per Assessment Order (adjusted against the demand for the AY 2010-11).
Income-tax	2011-12	The Commissioner of Income-tax (Appeals) - 22, Mumbai	No demand has been determined as payable, however, an appeal is pending adjudication before the CIT(A) against the Order dated 21 December 2017 passed u/s.143(3) r.w.s. 147 of the Income-tax Act, 1961.
Income-tax	2012-13	The Assistant Commissioner of Income-tax, Circle 14(2) (1)-Mumbai	A demand of Rs. 3,11,05,282/- payable in terms of Order dated 31 March 2015 passed u/s. 143(3) of the Income-tax Act, 1961. The Commissioner of Income-tax (Appeals)-22, Mumbai has fully allowed the appeal filed by the Company. Order giving effect to the CIT(A)'s Order is awaited and a request for same has already been made on 30 March 2017. Also in terms of an Order dated 04 December 2017 a sum of Rs. 4,48,120/- has been determined as payable to the Company.
Income-tax	2012-13	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 9,70,568/- has been determined as payable in terms of an Order dated 21 December 2017 passed u/s. 143(3) r.w.s. 147 of the Income-tax Act, 1961.
Income-tax	2013-14	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs.9,36,86,930/- has been determined as payable in terms of Order dated 27 February 2017 passed u/s. 154 of the Income-tax Act, 1961- appeal has been filed with the CIT(A) which appeal is pending adjudication.
Income-tax	2014-15	The Commissioner of Income-tax (Appeals) - 22, Mumbai	A demand of Rs. 1,75,24,46,620/- has been determined as payable in terms of Assessment Order dated 30 December 2016 passed u/s. 143(3) of the Income-tax Act, 1961. The said Order has not been accepted as correct and binding and an appeal against the same has been filed to the CIT(A) - the said appeal is pending adjudication. However, in terms of the Order dated 04 December 2017 passed u/s. 154 of the Income-tax Act, 1961 a sum of Rs. 40,56,58,030/- has been determined as refundable to the Company.

Note 39: Capital commitments

Capital Expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows:

(Rs. In Lakhs)

Particulars	31.03.2018 (Audited)	31.03.2017 (Unaudited)
Property, Plant and Equipment	1,00,354.30	23,943.75
Less: Capital Advances		(7,592.20)
Net Capital Commitments	1,00,354.30	16,351.55

Note 40:

Balances of Trade Receivables, Financial assets - Loans and advances are subject to confirmation and reconciliation if any. The Company is taking necessary steps for reconciliation and confirmation of the same.

Note 41:

The group Company's Receivables & Payables are subject to confirmation and reconciliation. These items interalia includes an adjustments. It's long pending inter-unit advise payable balances of Rs 21183.49 lakhs (P.Y 21183.49 lakhs) (Receivables Rs 19679.53 lakhs and Payables Rs 40863.03 lakhs i.e Net payable Rs 21183.49 lakhs) pertaining to MSEDCL through the Receivable against Transmission Charges from MSEDCL.

Note 42:

In accordance with Ind AS 36 - Impairment of assets, impairment analysis of assets of Transmission activity of MSETCL by evaluation of its Cash Generating Units, was carried out by outside agency in the year 2006-07 and since recoverable was more than the carrying amount thereof, no impairment loss was recognised. In the current year, there is no indication of impairment which requires re-estimating the recoverable amount of the assets.

Note 43:

MSETCL is consistently following its accounting policy regarding recognition of other income on 'accrual basis except when ultimate realization of such income is uncertain' as mentioned in Note no. 2.12 which is in commensurate with applicable accounting standard. As such Delayed Payment Charges being part of other income is recognized only to the extent of realized amount. Thus by adopting this policy the accounts of each financial years have been finalized on the basis of which Truing-up (Provisional / Final) is done by MERC as mentioned in clause 11.3 of MYT Regulations 2011 (applicable upto FY 2015-16).

MERC has done truing-up for every financial year based on the accounts and not adjusted the amount of Delayed Payment Charges upto truing up of FY 2014-15 as the same was not accounted for in the accounts. However, MERC while carrying out provisional true-up for FY 2015-16 has reduced ARR by Rs.85499 lakhs towards Delayed Payment Charges related to the earlier financial years including FY 2015-16 which have been not accounted for in accounts as per accounting policy. Apart from this adjustment, MSETCL is entitled for its legitimate ARR of Rs.394437 lakhs as is evident from MERC order dtd. 7th July 2016 in case no. 31 of 2016. To match with this entitled ARR accrued in FY 2016-17, MSETCL has accounted for Rs.85499 lakhs as other income being shortfall in ARR which has resulted on account of adjustment towards DPC in FY 2016-17. Further, MSETCL has filed an appeal before APTEL against the order of MERC in case No 31 of 2016 vide Appeal No 67 of 2017.

Considering the above adjustment, an amount of DPC accumulated as on 31st March 2018 Rs. 51981.82 Lakhs have not been booked as per consistent accounting policy followed.

Note 44:

Company is not required to make provision u/s 135 (Corporate Social Responsibility) of Company's Act 2013 in Current year as Average Net Profit calculated as per section 198 is negative.

Note 45:

Expenses identified pertaining to previous years to the tune of Rs 1152.86 lakhs have been adjusted against the Provisions made in the previous years. Income to the tune of Rs 316.46 lakhs relating to previous period have been included in the respective heads of Current Year.

Note 46:

As per the directives of MERC, MSETCL has to invest foreign exchange loss in securities authorized under Indian Trust Act, 1882 . Vide Order No 102 of 2011 , MERC is of the opinion that forex loss is notional in nature and may turn into income or expenses on accounts of currency fluctuation later on. Considering the above fact, MSETCL has taken a stand that it will invest this amount before final true up of years in which the loss has been occurred. As on 31-03-2018, accumulated foreign exchange loss is Rs. 11267 lakhs against which MSETCL has invested an amount of Rs. 5228 lakhs . There is a shortfall of Rs. 6039 lakhs as on 31.03.2018. Since the Final true up of the year 2017-18 is pending, it is felt that shortfall in investment amount will be invested subsequently before trueup. However MSETCL has invested an amount of Rs. 4190 lakhs on 09.04.2018.

Note 47:

Previous year's figures have been regrouped wherever necessary for appropriate presentation of Financial Statements to comply with the provisions of Schedule III as per the Companies Act, 2013.