

# MAHARASHTRA STATE ELECTRICITY TRANSMISSION CO. LTD.

1st Annual Report for the period of 2005-2006

## CONTENTS

Particulars	Page No.
Name of Directors	01
Director's Report	02
Annexure 'A' to Directors Report	07
Annexure 'B' to Directors Report	19
Auditor's Report	25
C.A.G. Report	32
What we Earned & Spent	37
Our Position	38
Statement- 1 Revenue Account	39
Statement - 2 Net Revenue and Appropriation Account	40
Statement - 3 Balance Sheet	41
Schedule - 01 Revenue from Transmission Charges	42
Schedule - 04 Revenue, Subsidies & Grants	42
Schedule - 05 Other Income	43
Schedule - 06 Purchase of Power	44
Schedule - 07 Generation of Power	45
Schedule - 08 Repairs & Maintainance	46
Schedule - 09 Employee Costs	46
Schedule - 10 Administration & General Expenses	47
Schedule - 11 Depreciation and Related Debits (Net)	49
Schedule - 12 Interest & Finance Charges	50
Schedule - 13 Interest & Finance Charges Capitalised	53
Schedule - 14 Other Expenses Capitalised	58
Schedule - 15 Other Debits	59
Schedule - 16 Extra Ordinary Items	61
Schedule - 17 Provision for Income Tax	61
Schedule - 18 Net Prior Period Credits / Charges	62
Schedule - 19 Fixed Assets & Provision for Depreciation	64
Schedule - 20 Function wise break up of Fixed Assets	65
Schedule - 21 Capital Expenditure in Progress	66
Schedule - 22 Assets not in use	67
Schedule - 23 Deferred Costs	68

Schedule - 24	Intangible Assets	69
Schedule - 25	Investments	70
Schedule - 26	Total Current Assets	71
Schedule - 26 (a)	Stock	72
Schedule - 26 (b)	Receivable against Transmission Charges	73
Schedule - 26 (c)	Cash & Bank Balances	73
Schedule - 26 (d)	Loans and Advances	74
Schedule - 26 (e)	Sundry Receivables	74
Schedule - 27	Security Deposits from Consumers	75
Schedule - 28	Other Current Liabilities	75
Schedule - 29	Subsidy Receivables from Government	76
Schedule - 30	Borrowing for Working Capital	76
Schedule - 31	Payments Due on Capital Liabilities	77
Schedule - 32	Capital Liabilities	80
	Annexure to Schedule-32 Public Bonds	83
Schedule - 33	Funds from State Government	84
Schedule - 33 (a)	Equity Capital	84
Schedule - 34	Contributions, Grants and Subsidies	85
Schedule - 35	Reserves and Reserve Funds	86
Statement- 4	Statement of Accounting Policies	87
	Notes to the Balance Sheet	89
Statement - 5	Notes to Accounts	90
Statement - 6	Function-wise break up of Revenue & Expn.	92
Statement - 7	Sources and Uses of Funds	93
Statement - 8	Statement of Capital Base and Surplus	95
Statement - 9	Statement of Technical Particulars	96
	Cash Flow Statement	98

### Charts / Graphs

1	Balance Sheet as on 31.03.2006	101
2	Gross Fixed Assets & Work in Progress	102
3	Current Assets	103
4	Sources of Funds & Utilizations of Funds	104



**M.S.E.T.C.LTD.**

# **MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED**

---

## **BOARD OF DIRECTORS**

**JAYANT KAWALE  
CHAIRMAN**

**SUBRAT RATHO  
MANAGING DIRECTOR**

**VINAYAK RAO  
DIRECTOR (FINANCE)**

**SHISHIR TAMOTIA  
DIRECTOR (OPERATION)**

**COMPANY SECRETARY  
P.B. KHANDKAR**

## **AUDITORS**

**CONTRACTOR NAYAK & KISHNADWALA  
CHARTERED ACCOUNTANT**



## **REGISTERED OFFICE**

**Prakashganga, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051.**

## DIRECTOR'S REPORT

To,  
The Members,

Your Directors hereby present the maiden Annual Report on the Business and Operations of the Company together with the Audited Statement of Accounts for the year ended on 31st March 2006

### FINANCIAL RESULTS

The Financial Results of the Company for the year ended on 31/03/2006 are as follows:

PARTICULARS	AMT [Rs. in Lakh]
Revenue from Transmission Charges	118242
Other Income	928
<b>Total Income</b>	<b>119170</b>
Expenditure on R & M	29849
Depreciation	38837
Interest & Finance Charges	16700
Provision for Income Tax	2972
<b>Total Expenditure</b>	<b>88358</b>
<b>Surplus</b>	<b>30812</b>

This being the first financial year of the Company the figures pertaining to the previous year are not available.

### BRIEF HISTORY OF THE COMPANY

The Company was formed on 31/05/2005 after trifurcation of erstwhile Maharashtra State Electricity Board (MSEB). The Company has been licensed as State Transmission Utility (STU) by Government of Maharashtra. The First Financial year of the Company is of 10 months beginning from 6th June 2005 and ending on 31st March 2006. Consequent. to trifurcation of MSEB, the assets and liabilities of MSEB were transferred by Government of Maharashtra to MSEB Holding Co. Ltd with ultimate aim of transferring and allocating them among the three companies viz. Maharashtra State Power Generation Company Ltd., Maharashtra State Electricity Transmission Company Ltd. and Maharashtra State Electricity Distribution Company Ltd. The said allocation is yet to be completed.

### EXPLANATION TO REMARKS OF STATUTORY AUDITORS.

The explanation to the remarks of the Statutory Auditors is enclosed at Annexure A of this report.

### REPORT OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The comments of the Comptroller & Auditors General of India on the accounts of the Company have been received and the same is enclosed at Annexure B of this report.

### HOLDING COMPANY

Your Company is a subsidiary of MSEB Holding Company Ltd. by virtue of provisions of section 4 (1) (a) and 4 (2) of the Companies Act. 1956.

## CHANGE OF NAME

Your Company was incorporated with name Maharashtra State Transmission Co. Ltd. Subsequently, its name has been changed by adding the word "Electricity" in its name and has been approved the Registrar of Companies. Mumbai vide fresh Certificate of Incorporation dtd. 19th April, 2006.

## HUMAN RESOURCES

### Man Power

The sanctioned strength and actual employees on roll of the Company is given below :

Pay Gr.	Sanctioned	Actual Working	Vacancies
I	756	647	109
II	1864	1463	401
III	6580	5103	1477
IV	4474	3711	763
<b>Total</b>	<b>13674</b>	<b>10924</b>	<b>2750</b>

### Recruitment

During the year following recruitment was made :

Pay Gr.	Open	OBC	S C	S T	VJA	N T B	N T C	N T D	S B C	Total
I	22	15	12	02	01	0	04	0	0	56
II	73	24	20	01	04	02	05	07	01	137
Total	95	39	32	03	05	02	09	07	01	193

Physical Handicapped persons appointed	Women appointed:
Pay Gr.	Pay Gr.
I : Nil	I : 04
II : 05	II : 17
III : 03	
IV : 05	

### Industrial Relations

The Industrial relations continued to be cordial. The sports competition and drama competition were taken during the year as a part of cultural and welfare activities.

### Communication

Considering importance of communication coverage of mobile phone facility under CUG scheme of BSNL was extended to maximum officers. The regular communication of news and views is done through the monthly bulletin "Mahapareshan Samachari".

## **Training**

Your Company continued to lay focus on imparting training to the employees in the area of management, operation, technical and behavioral development programs. 362 employees were trained and their skills upgraded.

## **BUSINESS PLANS**

Your Company is engaged in the business of transmission of Electricity and has been declared as State Transmission Utility by the Government of Maharashtra.

The Company owns and operates 35028 CKT. Kms of transmission lines including 500kv HVDC and 400Kv having transmission capacity of 55759 MVA and 468 Nos of EHV substations of various voltage levels as on 31st March 2006 The working staff strength of the company is about 11000.

The Company is in the process of installing ABT Metering System in order to ensure proper metering of electricity. So as to reduce leakage of income accounting.

The Company has also prepared an ambitious Infrastructure Investment Plan for the next 5 years. It would be the endeavor of the Company towards enhancement of Transmission System availability for EHVAC system. The Company has the objective to act as a facilitator for Open Access to bring in competitiveness in Maharashtra Power sector.

## **CORPORATE GOVERNANCE**

Your Company is not a listed company and hence the mandatory requirements of disclosure under clause 49 of the Listing Agreement are not applicable to the Company. However, at MSETCL we believe that constant effort to improve operational performance, guided by the values of erstwhile MSEB, forms the basis of good Corporate Governance.

## **DIRECTORS**

Upon incorporation of the Company, Shri B.P Pandey was appointed as the Managing Director and continued the same till 16th June 2005. Thereafter, Shri. Jayant Kawale was appointed as the Managing Director and continued till 19th June 2006. Shri Kawale was appointed again as Additional Director ( w.e.f 31st Oct 2006) and became Chairman till 16th February 2007.

[Shri B.P Pandey was again appointed as Additional Director (w.e.f 16th February 2007) and occupied the position of Chairman till 30th March 2007.

Since 30th March 2007, Shri Rahul Asthana, is occupying the position of Chairman.

Since 19th June 2006 till 20th July 2006 Shri Ajoy Mehta was the Managing Director and thereafter, Shri Subrat Ratho has been appointed (w.e.f 20th July 2006) as the Managing Director.

Shri A.D Palamwar was holding the position of Director (Operation) from 8th June 2005 till 26th May 2006.

Shri Shishir Tamotia was appointed as Director (Operation) w.e.f 26th May 2006 and ceased to be a director w.e.f 31st May 2007 on his resignation .

## **STATUTORY AUDITORS**

Yours is a Government Company as per Section 617 of the Companies Act. 1956 since entire Equity Share Capital is held by Government of Maharashtra through its 7 nominees. Hence As per provisions of Section 619(2). the auditors of the Government Company are appointed by the Comptroller & Auditor General of India. Accordingly. M/s. Contractor. Nayak & Kishnadwala Chartered Accountants were appointed by the Comptroller & Auditor General of India (C & AG) as per provisions of Section 619 of the Companies Act 1956 as Statutory Auditors of your Company for the year 2005 - 06 and also for 2006 - 07.

## **PARTICULARS OF EMPLOYEES**

There are no employees who are drawing remuneration in excess of the limits specified in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Therefore, the particulars of such Employees are nil.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information as required under Section 217(1)(e) of the Companies Act 1956 is annexed hereto and forms part of this Report. And Companies [Disclosure of particulars in the report of the Board of Directors] Rules, 1988.

### **A] Conservation of Energy**

[i] The efforts to reduce wastage and transmission losses.

To reduce wastage and transmission losses, a programme of system strengthening for Western Region is undertaken by M/s PGCIL. This system strengthening covers 3 nos. of 400kv sub-station (Parli, Pune, Solapur) and construction of 765kv & 400kv EHV lines of 3633kms. The total cost of the project is Rs.5221.23 Crores and 6000 MW power will be transferred from Central Sector to Maharashtra. This strengthening will give relief to existing congestion network in 400kv Chandrapur-Parli, Bhusawal-Koradi & Parli-Lonikand lines. Also capacitor bank installation at load centers is planned @ 200 MVAR per year for reduction of transmission losses.

[ii] The efforts to improve overall power factor.

In case the reactive power is generated locally near the load center, its transmission from generating station to load center can be avoided resulting into reduction in line losses and also results into improvement of system voltage. By providing shunt capacitor banks at various substations at EHV level, line losses are reduced and improvement in voltage and overall improvement in the power factor.

For this, capacitor bank installation program @ 200 MVAR per year is taken in hand from 06-07 to 2010-2011. During 06-07, shunt capacitors @ 25 MVAR each are being commissioned by Oct-Nov.06 at eight locations viz. 132kv Jintoor, 132kv Hingoli, 132kv Malkapur, 132kv Sangamner, 132kv Tamsa, 132kv Umari, Kandhar & Gangakhed & a study before & after installation of capacitors show improvement of power factor from 0.85 to 0.97 & improvement in voltage from 121kv to 124kv

**B] Technology Absorption :** Set out as per form B of this report.

**C] Foreign Exchange Earnings and Outgo :** Foreign Exchange outgo include interest on foreign currency Loan and Credit amounting to Rs 347.55 Lakhs for the period ending 31st March 2006.

[FORM - B]

### **A] RESEARCH AND DEVELOPMENT :**

1. Specific Areas in which R&D has been carried out by the company:  
[Nil, being a Company in the areas of service for electricity transmission]
2. Benefits derived out of this R&D - Nil
3. Expenditure on R&D - Nil
  - a. Capital - Nil
  - b. Recurring - Nil
  - c. Total - Nil
  - d. Total R&D expenditure as percentage of Total Turnover - Nil

## **B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

- 1. Efforts made in brief towards technology Absorption, Adaptation and Innovation - EST-Max-2**  
Physical overhead transmission line fault analyzer system has been installed at 5 different places in the state.
- 2. Benefits derived out of the efforts -** These instruments give advance intimation of faults such as faulty insulators, open circuit of the transmission lines, loose connections, conductor damages etc. on transmission lines by comparing signature analysis data on different occasions. With this instrument, predictive/preventive maintenance can be carried out effectively and the breakdowns can be minimized, thereby leading to increased availability.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956 the Directors, based on the representations received from the concerned Heads of Department confirm.

- (i) That in the preparation of the Annual Accounts the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss account for that period.
- (iii) That 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
- iv) That the Directors had prepared the Annual Accounts on going concern basis.

## **DEPOSITS**

The Company has not accepted any Deposits from the public within the meaning of Section 58-A and 58AA of the Companies Act 1956

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their gratitude to the Government of Maharashtra, Banks, Financial Institutions, suppliers and business associates for their support and confidence in the Company. Your Directors also place on record their appreciation for overwhelming co-operation and assistance extended to the Company by the Employees at all levels and in all cadres.

**On behalf of the Board of Directors**

**sd/-**

**Chairman**

**12.10.2007**



**MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LTD.**  
**REPLIES TO AUDITORS REPORT FOR THE PERIOD 06-06-2005 TO 31-03-2006**

Sr No.	Statutory Auditors Report	MSETCL's Reply
1.	<p><i>We have audited the attached Balance Sheet of Maharashtra State Electricity Transmission Company Limited, (hereinafter referred to as MSETCL) as at 31st March 2006, Revenue Account of the period from 6th June 2005 to 31st March 2006 and the Cash Flow Statement for the said period annexed thereto.</i></p>	<p align="center">Factual</p>
2.	<p><i>These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.</i></p>	<p align="center">Factual</p>
3.	<p><i>The Company is governed by the provisions of Electricity (Supply) Act 2003, read with rules and the regulations issued there.under. Section 616 ( c) of the Companies Act, 1956 also provides that special acts like Electricity Act, will apply to the extent the provisions of the Companies Act are inconsistent with the provisions of those acts. The financial statements of MSETCL are prepared in</i></p>	<p align="center">Factual</p>

Sr No.	Statutory Auditors Report	MSETCL's Reply
	<p><i>the format prescribed under Electricity (Supply) Annual Accounts Rules, 1985 (Hereinafter referred to as "ESAAR") as notified by the Central Government in Electricity Supply Act, 1948 read with the provisions of Section 185(2)(d) of the Electricity Act, 2003.</i></p>	
4.	<p><i>As required by the Companies (Auditor's Report) Order, 2003, as amended by The Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.</i></p>	<p>The replies to the relevant paras to the annexures are separately given</p>
5.	<p><i>We have to invite your specific attention to the following</i></p>	
a)	<p><i>As per Maharashtra Electricity Reforms Transfer Scheme, 2005 (hereinafter referred to as the "Transfer" scheme) of the Government of Maharashtra notified on 4th June 2005, the Undertaking forming part of the Transmission Undertaking of the erstwhile Maharashtra State Electricity Board as set out in Schedule "A" of the said notification were transferred and vested with effect from 6th June 2005 to MSETCL. On account of such transfer, equity shares of the face value of Rs. 26,95,99,00,000 (being the excess of assets over liabilities) were to be allotted to MSEB Holding Company Limited (hereinafter referred to as the Holding Company). Pending such allotment, this amount is shown as the "Share Suspense Account" in Schedule 33.</i></p>	<p>Factual</p>

Sr No.	Statutory Auditors Report	MSETCL's Reply
b)	<p><i>The company was incorporated on 31st May 2005. These financial statements however reflect transactions for the period 6th June 2005 to 31st March 2006. Due to this, transactions (including those related to incorporation expenses and preliminary expenses of the company), incurred during the period 31st May 2005 to 5th June 2005 have not been considered. This is in violation of the provisions of section 210 of the Companies Act, 1956.</i></p>	<p>MSETCL has been incorporated under the Companies Act , 1956 on 31<sup>st</sup> May , 2005. However as per clause (2)(d) of the Maharashtra Electricity Reforms Transfer Scheme, 2005 of the Government of Maharashtra notified on 4<sup>th</sup> June 2005 the “ Date of Transfer “ is the respective date notified by Government of Maharashtra for effecting transfer of properties , interest , rights and liabilities , proceedings or personal as the case may be to the relevant Transferee . As per clause 5(3) the said transfer scheme , the functions , business and undertakings forming part of MSETCL shall stand transferred to and vest in MSETCL on and from 6<sup>th</sup> June 2005. The Accounts have therefore been drawn from 6<sup>th</sup> June 2005. There are no such transactions effected during 31<sup>st</sup> May 2005 to 5<sup>th</sup> June 2005 , the said fact has been disclosed by way of a note at Sr. No 2 to the Balance Sheet. Moreover the transactions for the period 1.4.05 to 5.6.05 have been recorded in the books of MSETCL.</p>
c)	<p><i>The certificate for Commencement of Business as required by Section 149(2) of the Companies Act, 1956 without which a company cannot commence any business, was obtained by the MSETCL from the Registrar of Companies , Ministry of Company Affairs on 15th September 2005. The company has however commenced its business from 6th June 2005 itself.</i></p>	<p>The MSETCL was formed on 31<sup>st</sup> May 2005 whereby the balances in the books of erstwhile of MSETCL were transferred in the books of MSETCL as on 6<sup>th</sup> June 2005. Therefore, technically even though the certificate of commencement of business was obtained on 15<sup>th</sup> September 2005, it cannot be concluded that the MSETCL is stopped from carrying on the already existing business and therefore, the obtaining the certificate of commencement of business can be said to be a compliance as required by the Companies Act, 1956. It may also be noted that MSETCL is State Transmission Utility declared by the Government and the MSETCL is governed by the Electricity Act ,2003 and it is also a Government Company.</p>

Sr No.	Statutory Auditors Report	MSETCL's Reply
d)	<p><i>The amounts of assets and liabilities transferred to the company pursuant to the aforesaid Transfer scheme with effect from 6th June 2005 are subject to final approval of the Government of Maharashtra and are yet to be notified by the Government of Maharashtra. Changes in these amounts , if any, made at the time of notification may have an impact on these financial statements.</i></p>	<p>Factual.</p> <p>The said fact has been disclosed by way of a note at Sr. No. 1 to the Balance Sheet. In this respect it is further submitted that Secretary Energy vide his letter No. Reform-2006/CR.511/NRG-3 dated 2.6.2006 addressed to the M.D.MSEB Holding Co. LTD. conveyed that the Provisional Transfer Scheme as notified by Government Notification dated 4.6.2005 shall continue to be provisional beyond 5<sup>th</sup> June 2006 till final order on these issues are notified by the Government.</p>
6	<p><i>The company has not complied with the following Accounting Standards (AS) issued by The Institute of Chartered Accountants of India as required by Section 211 (3C) of the Companies Act, 1956</i></p>	<p>As provided under Section 185(2)(d) of Electricity Act,2003, all the Rules made under Sub Section (1) of Electricity (Supply) Act,1948 (54 of 1948) shall continue to have effect until such Rules are rescinded or modified as the case may be. MSETCL has therefore followed the Electricity (Supply) (Annual) (Accounts) Rules ,1985(ESAAR 1985). However the Accounting Standards (AS) as required by Section 211 (3C) of the Companies Act, 1956 would be complied from F.Y 2008-09.</p>
AS - 1	<p><i>Disclosure of Accounting Policies</i></p>	
	<p><i>The Company has disclosed Statement of Accounting policies (as per Statement 4). This statement however, only mentions the departures of the basic accounting principles and policies from ESAAR. The Company has not made any disclosure of the significant Accounting policies adopted in the preparation and presentation of financial statements.</i></p>	<p>As provided under Section 185(2)(d) of Electricity Act,2003, all the Rules made under Sub Section (1) of Electricity (Supply) Act,1948 (54 of 1948) shall continue to have effect until such Rules are rescinded or modified as the case may be. MSETCL has therefore followed the Electricity (Supply) (Annual) (Accounts) Rules ,1985(ESAAR 1985). As per Clause -8 of Chapter –II of ESAAR 1985, MSETCL is adhering to the prescribed accounting policies as per ESAAR 1985 and hence the departures, if any made there under are disclosed under Statement-4 i.e. Statement of accounting policies separately in the statement of accounts.</p>

Sr No.	Statutory Auditors Report	MSETCL's Reply
AS ñ 2	<i>Valuation of Inventories</i>	
	<i>i) Inventories are valued at Cost which is not in accordance with provisions of AS 2 which requires valuing inventories at cost or net Realizable Value whichever is lower. As informed to us, the net Realizable Value of the inventory cannot be ascertained and hence effect of this departure has been quantified.</i>	MSETCL is following the accounting policies as prescribed under ESAAR 1985 & it doesn't specify valuation of inventories at cost or net realizable value whichever is lower.
	<i>ii) Inventories includes ìMaterial Stock excess/ shortage ñ pending investigationî amounting to Rs.1,52,19,244 which have not been charged to profit and loss account.</i>	This is pertaining to Losses-Cost of lost/damaged articles / materials Pending investigation.  Disclosure of the departure from ESSAR 1985 in this respect is made in Statement -4 wherein it is stated that accounting of losses is made in the year of it's approval. The efforts will be made to comply this in the year 2006-07.
	<i>iii) The Inventories as on 31st March 2006 does not include value of scrap lying with Company. The value of the same is not ascertained by the company.</i>	MSETCL is following the accounting policies as prescribed under clause No. 2.20 of Annexure V of ESAAR, 1985 and sale proceeds from the sale of scrap is accounted under Schedule 5 since no cost is assigned to scrap as mentioned under Annexure II - Chart of Accounts Section 2 Account Code 62.340 Page No. 54.
AS ñ 6	<i>Depreciation Accounting</i>	
	<i>1. The Company has not provided depreciation on fixed assets acquired during the year. Due to this, the depreciation charge for the year is understated by an amount of RS. 6.82 crores with consequent effect on provision for depreciation.</i>	Since ESAAR 1985 has been followed for compilation of the accounts depreciation is provided as per the rules prescribed under clause 2.60 of the Annexure III of ESAAR 1985 which specify under clause 2.60 (3) that depreciation charged on a newly commissioned assets shall commence in the year immediately following the year of commissioning. MSETCL has added assets of Rs.294.64 crores during the period the approximate depreciation @4.63 % would be around Rs.6.82 crores.



Sr No.	Statutory Auditors Report	MSETCL's Reply
	<p>2. The Company has provided depreciation only upto 90 % of cost of assets instead of provisions of depreciation till 95 % value of assets as required by Schedule XIV of the Companies Act, 1956. The effect of this on the Profit and Loss account has not been quantified.</p>	<p>This is as per the provisions of clause 2.60 (1) of the Annexure III of ESAAR 1985.</p>
AS ñ10	Accounting for Fixed Assets	
	<p>The Company has capitalized to the fixed assets, employee costs and other general administration charges incurred at its various circles (other than construction circles) amounting to Rs.3,40,34,538 on an ad-hoc basis rather than following the principle of identifying whether the said costs are directly related to the acquisition/ construction of the fixed assets. This has resulted in overstatement of profits for the period, the effect of which has not been quantified.</p>	<p>This is as per the departure disclosed in the Statement 4 i.e. Statement of Accounting Policies. Hence MSETCL has continued existing procedure of capitalization of employee cost as well as general establishment charges of the unit, supervising both capital and O&amp;M works at a fixed 15 %.</p>
	<p>Expenses on account of transit insurance, octroi and freight on capital goods incurred during the period are charged to the Profit and Loss account instead of including the same in cost of the fixed assets. This has resulted in understatement of profits for the period , the effect of which has not been quantified.</p>	<p>This is as per the policy prescribed under clause No.2.20 (6) &amp;(7) of Annexure V of ESAAR 1985.</p>
	<p>Assets which are not in active use (as per Schedule 22) are stated at written down value instead of written down value or net realizable value whichever is lower. As informed to us, net realizable value of these assets cannot be ascertained and hence the effect of same on the profit for the period has not be quantified.</p>	<p>This is as per the policy prescribed under clause No.2.75 of Annexure III of ESAAR 1985.</p>
AS ñ12	Accounting for Government Grants	
	<p>The amount of outright contribution (as per Schedule 34) Rs.28,27,35,551 received from consumers towards cost of</p>	<p>This is as per Accounting policy specified under clause No.2.35 of Annexure III to Electricity (Supply) (Annual Account)</p>

Sr No.	Statutory Auditors Report	MSETCL's Reply
	<p><i>fixed assets is not reduced from the cost of assets constructed to the extent of construction of assets completed till the year end or from the relevant revenue expenditure incurred during the period. The effect of this on the profit for the period has not been quantified.</i></p>	<p>Rules 1985 wherein it is stated that consumer contributions ,subsidies &amp; Grants towards cost of capital assets shall not be treated as a reduction in the 'Cost' but as a Capital receipt.</p>
AS ñ15	<p><i>Accounting for Retirement Benefits in the Financial Statements of Employers</i></p>	
	<p><i>The company has not made any provision for Leave encashment salary payable to employees and accounts for the same on cash basis. The amount of the same has not been quantified.</i></p>	<p>This is as per the departure disclosed in the Statement 4 i.e. Statement of Accounting Policies, wherein it is stated that since the earned leave encashment provision could not be quantified at the end of the year , it is accounted for on cash basis in the books of accounts every year. This is allowed as per clause 10(2) of chapter II of ESAAR 1985 and this is being consistently followed by erstwhile MSEB also over the years. Moreover, the other subsidiaries of MSEB Holding companies viz. MSPGCL &amp; MSEDCL which are also restructured entities under the Companies Act , 1956 which are also governed by the Statutory Audit as applicable to MSETCL are also following the accounting of earned leave encashment on cash basis since earned leave encashment provisions could not be quantified in their accounts for the period ended 31-03-2006.</p>
AS ñ16	<p><i>Borrowing Cost</i></p>	
	<p><i>Expenses on account of borrowing cost consisting of Interest expenses are fully capitalized on all items of Capital Work in Process at the end of the year, rather than only on 'Qualifying Assets' as required by AS 16. The effect of the same on the profits for the period has not been quantified.</i></p>	<p>MSETCL is capitalizing Interest as per the procedure specified under clause 1.42 &amp; 1.43 to Annexure V to ESAAR 1985 wherein it is stated that full amount of Interest payable for the year would be considered for this purpose. Further it is also specified there in that in view of difficulties in identifying a source to its use, no attempt shall be made for source-wise identification</p>

Sr No.	Statutory Auditors Report	MSETCL's Reply
		and this exercise shall be carried out at Head Office. clause 1.43 deals with the details moralities of computation of interest capitalization by virtue of which the portion of interest payable is allocated to interest bearing assets at construction stage which represent the amount of interest to be capitalized.
	<i>Other ancillary costs like Guarantee charges and deferred costs related to restructuring of debts are not considered as borrowing costs as required by AS 16 for the purpose of capitalization to the fixed assets. The effect of the same on the profits for the period is not quantified</i>	The above clauses of ESAAR 1985 refers only interest payable on capital liabilities and not other ancillary costs like Guarantee charges and deferred cost related to restructuring of debts hence the same are not considered for capitalization.
	<i>The company has during the period paid premium of Rs.38660875 towards conversion of loans carrying higher rate of interest into loans carrying lower rates of interest. This amount has been treated as "Deferred cost" and has not been charged to the Profit and Loss account. As a result of the same, profit for period is overstated by Rs.38660875.</i>	This is the debts restructuring premium paid to LIC in the year 2005-06 which was to be amortized over a period of 7 years which represents the balance tenure of these loans. The amount amortized is debited to the respective interest account code under schedule 12 as per the guide lines given in Account Code volume I under para 17.2. This is as per the Annexure II of ESAAR 1985.
AS ñ17	<i>Segment Reporting</i>	
	<i>The company has not made disclosures regarding the primary segment in which the company operates and related information.</i>	MSETCL is operating in the primary segment of Transmission and there are no other segments. Statement 6 in the Annual Accounts is as per the provisions of ESAAR, 1985.
AS ñ18	<i>Related Party Disclosures</i>	
	<i>The company has not made disclosures of related parties and transactions with these related parties.</i>	No such disclosure is required under ESAAR 1985.
AS ñ19	<i>Leases</i>	
	<i>The company has not made disclosures regarding assets taken on lease.</i>	No such disclosure is required under ESAAR 1985.



Sr No.	Statutory Auditors Report	MSETCL's Reply
AS ñ22	<i>Accounting for Taxes on Income</i>	
	<i>The company has not made disclosures relating to items of Deferred Tax Liabilities and Deferred Tax Assets and reasons for non recognition of deferred tax on account of timing difference</i>	No such disclosure is required under ESAAR 1985.
AS ñ26	<i>Intangible Assets</i>	
	<i>The company has treated Rs. 52,18,20,334 being premium paid for conversion of loans carrying higher rate of interest into loans carrying lower rates of interest, transferred vide Transfer Scheme as 'Deferred Cost' (Schedule 23). Out of this an amount of only Rs. 8,63,11,012 has been charged to the Profit and Loss Account rather than writing off of the entire amount to the Profit and Loss Account.</i>	This is pertaining to debts restructuring premium paid to the financial institutions such as PFC,REC,& LIC for reduction of high interest rate . As on 5th June 2005 there is balance of Rs.52.18 crores debts restructuring premium paid to PFC Rs. 34.42 crores REC Rs.1.55 crores & LIC RS. 16.21 crores. PFC debts restructuring premium is proposed to be amortized over a period of 10 years ,REC over a period of 8 years & LIC over a period of 8 years (Average tenure period). This is as per clause 4.9 of Annexure V of ESAAR 1985 which specify that intangible assets shall be amortized over the period estimated to be benefited.
	<i>The company considered an amount of Rs. 20,16,136 (being amount transferred as part of Transfer Scheme towards interest on lease agreements) as an Intangible asset (Schedule 24) and has not charged the same to the Profit and Loss Account.</i>	The amount of Rs.10,08,573/-is now charged to the Revenue Account vide JV. No 228471 dt.31.3.2006 & balance amount will be charged to the Revenue Account in the balance two years of lease period.
	<i>The company has considered Rs. 184153 as Deferred Revenue Expenditure which is not in accordance with AS 26</i>	The guide lines in this respect are given in Account Code volume I under para 17.2. This is as per the Annexure II of ESAAR 1985.
	<i>As a result of the (i), (ii) &amp; (iii) above profit for period is overstated by Rs. 43,77,09,611.</i>	

Sr No.	Statutory Auditors Report	MSETCL's Reply
AS ñ28	<i>Impairment of Assets</i>	
	<i>The company has not carried out the procedures required to ascertain whether there is any impairment of the fixed assets of the company as at the Balance Sheet Date.</i>	The provision in respect of impairment of assets is not prescribed under ESAAR 1985 moreover the asset is not carried at more than its recoverable amount hence there is no impairment of assets.
AS ñ29	<i>Provisions, Contingent Liabilities and Contingent Assets</i>	
	<i>The company has not made disclosures regarding provisions and contingent liabilities (including those related to guarantees issued by Government of Maharashtra on behalf of the company to its lenders)</i>	No such disclosure is required under ESAAR 1985
7	<i>The Company has not complied with the following provisions of the Companies Act, 1956</i>	
a)	<i>Attention is invited to paragraphs 5(b) and 5(c) of this report regarding non compliances with sections 210 and 149(2) of the Companies Act.</i>	<p>The MSETCL was formed on 31st May 2005 whereby the balances in the books of erstwhile of MSEB were transferred in the books of MSETCL as on 6th June 2005. Therefore, technically even though the certificate of commencement of business was obtained on 15th September 2005, it cannot be concluded that the MSETCL is stopped from carrying on the already existing business and therefore, the obtaining the certificate of commencement of business can be said to be a compliance as required by the Companies Act, 1956. It may also be noted that MSETCL is State Transmission Utility declared by the Government and the MSETCL is governed by the Electricity Act ,2003 and it is also a Government Company.</p> <p>Further it is submitted that at the time of obtaining certificate of commencement of business it was insisted by the authorities that the company should provide the details of Bank account &amp; when Bank was</p>

Sr No.	Statutory Auditors Report	MSETCL's Reply
		approached to open the Bank a/c in the name of company bank requires the copy of the certificate of commencement of business. After lot of persuasions with the Bankers the Bank a/c is opened & the formalities of obtaining this certificate has been completed.
b)	<i>The company has made provisions for depreciation at the rates notified under ESAAR, which are different from those specified by the Schedule XIV to the Companies Act, 1956. As per Schedule XIV to the Companies Act, 1956, the Company is required to disclose depreciation rates or useful life of the assets if these are different from the principal rates specified in the said schedule. The company has, however, not made such disclosure.</i>	The MSETCL has made provision for depreciation at the rates prescribed by the Government of India, Ministry of Energy (Department of Power) vide notification Dt. 29.03.1994, which are different from those specified by Schedule XIV to the Companies Act, 1956 . MSETCL has made such disclosure in Statement – 4 i.e. Statement of Accounting Policies.
c)	<i>Provisions of Sec 293(1)(d) of the Companies Act, 1956 limiting borrowing power of Board to extent of paid up capital and free reserves were not complied during period between incorporation of the company and 28th September 2005 the date on which resolution u/s 293(1)(d) was passed by the shareholders.</i>	The existing loans of erstwhile MSEB were transferred to MSETCL and some disbursement there from could have been made by the concerned financial institutions. Therefore even though the Resolution u/s 293(1)(d) was passed on 28th September 2005, the actual borrowing by way of new loans commenced after the said date.
8	<i>No provision has been done for Leave Travel Assistance payable to employees, the amount of which is not quantified.</i>	Since the Leave Travel Assistance provision could not be quantified at the end of the year , it is accounted for on cash basis in the books of accounts every year.  This is as per the departure disclosed in statement -4 i.e. Statement of Accounting Policies.
9	<i>Balances of Secured Loans, Sundry Debtors, Sundry Creditors, Loans and Advances and various other debit / credit balances including of the holding company and other subsidiary companies of the holding company are subject to</i>	The inter company reconciliation/ adjustments will be carried out by 31.03.07..

Sr No.	Statutory Auditors Report	MSETCL's Reply
	<p><i>confirmations and adjustments necessary upon reconciliation. The effect of the adjustment arising from reconciliation and settlement of old dues and possible loss that may arise on account of non recovery or partial recovery of such dues is not ascertained. The impact of the above on the amounts as disclosed in the Balance Sheet and on the profit for the period is not quantified;</i></p>	

10. Further to our observations in the annexure referred to in paragraphs 4 to 9 above, we report that:
- a) *Subject to our observations in paragraph 9 above, we have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;*
  - b) *In our opinion, proper books of accounts, subject to non accounting of retirement benefits on accrual basis and non provision of expenses (as per Note 8 above), as required by law have been kept by the Company in so far as it appears from our examination of such books;*
  - c) *The Balance Sheet and Revenue Account referred to in this report are in agreement with the books of accounts;*
  - d) *In our opinion, the Balance Sheet and the Revenue account, subject to our comments in paragraph 6 above, comply with the Accounting Standards referred in sub-section 3C of Section 211 of the Companies Act, 1956.*
  - e) *Pursuant to the notification number GSR 829(E) dated 17-07-2003 issued by the Government of India, the provisions of Sec 274(1)(g) of the Companies Act, 1956 are not applicable to the company.*
  - f) *Subject to our remarks in paragraphs 4 to 9 above, the total impact of which on financial statements has not be quantified, in our opinion and to best of our information and according to the explanations given to us, the said accounts read together with Statement of Accounting policies (Statement 4) and Notes to Accounts (Statement 5) both forming part of the accounts, gives the information required by the Companies Act, 1956, in the manner so required (subject to our comments in paragraph 7(b) above) and gives a true and fair view:*
    - (i) *In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2006;*
    - (ii) *In the case of Revenue Account, of the Profit for the period ended on that date and*
    - (iii) *In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.*

For and on behalf of  
Contractor Nayak & Kishnadwala  
Chartered Accountants

sd/-

**H. V. Kishnadwala**  
Partner,  
Membership No 37391  
Mumbai, dated February 12th, 2007

**ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 4 OF OUR  
REPORT OF EVEN DATE OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION  
COMPANY LIMITED FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH 2006**

1(a)	<i>The company has continued maintenance of fixed assets registers of the erstwhile Maharashtra State Electricity Board (MSEB) at each location. These registers however, need to be updated to show proper particulars, including quantitative details and situation, of the fixed assets.</i>	Necessary instructions for maintenance of proper records regarding fixed assets is being issued to respective offices.
1(b)	<i>Subsequent to the year end, MSEB Holding Company Limited (the Holding company) has appointed external consultants to carry out physical verification of the fixed assets of the Company. As per the report of these external consultants, physical verification was conducted to cover about 90 % of the fixed assets of the Company. The assets verified by these external consultants have however not been reconciled with the fixed asset registers as maintained (as per clause 1(a) above) by the company. In the absence of such record and verification we are unable to state whether there are any material discrepancies.</i>	Necessary instructions for reconciliation with the fixed Asset register are being issued to the respective offices.
1(c)	<i>The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal, in our opinion, does not affect the going concern status of the company.</i>	Factual
2(a)	<i>As informed to us, inventories have been physically verified by the management in September 2005 at two major stores circles. Materials lying at various construction sites, other circles and divisions were not verified by the management.</i>	Physical Verification fo materials lying at verious construction sites other circles and divisions will be carried out in September/October 2007 Onwards.

2(b)	<p><i>In our opinion, the procedure of physical verification of inventory followed by the management is not adequate in relation to size of the company and the nature of its business. In our opinion, physical verification of stores should be carried periodically for all circles and divisions and such verification procedures should be adequately documented.</i></p>	<p>In accordance to the Regulation No.5 (6) of the Administration of the Funds and Properties Regulations 1980 read with Section XIX-4 of Accounts Code Volume-III, Physical Verification of Stores Material is carried out once in a year during August/September. This is particularly because at the end of the financial year there is always rush of work and no.of targets are to be completed. For carrying out physical inventory required no. of accounts and technical staff is drawn. As such, it is possible in the month of August / September every year to carry out the inventory since the activities are comparatively less during this period and monsoon is also over.The Physical verification of stores for all less during this period and monsoon is also over. The physical verification of material lying at all Circles &amp; Divisions will be carried out from the next year.</p>
2(c)	<p><i>On the basis of our test examination of records of inventory, in our opinion, the company has not maintained proper records of inventory. As explained to us, the discrepancies noticed on such physical verification of stocks as compared to book records were not material in relation to the operations of the company.</i></p>	<p>Factual</p>
3	<p><i>On the basis of the records verified by us, the company has neither taken nor granted any loans to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 Thus provisions of clause 4(iii)(a) to 4(iii)(g) of the order are not applicable to the company for the period.</i></p>	<p>Factual</p>



4	<p><i>In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and sale of services. This being the first year of operation of the company, hence there is no continuing failure to correct major weaknesses in internal control.</i></p>	Factual
5	<p><i>According to the information and explanations given to us, there have been no contracts or arrangements, to companies or other parties which need to be entered in the register maintained under section 301 of the Companies Act, 1956. Hence clause 4(v)(a) and 4(v)(b) are not applicable for the period.</i></p>	Factual
6	<p><i>According to the information and explanations given to us, the company has not accepted deposits from the public within the meaning of the provisions of section 58 A of the Companies Act, 1956 and rules framed there under.</i></p>	Factual
7	<p><i>The company has its own Internal Audit department, However, in our opinion; the internal audit function suffers from inadequacies such as scope, coverage, extent, personnel and regular reporting in order to be commensurate with size and nature of its business.</i></p>	<p>The Company has set up an Inspection Wing consisting of Inspection Parties/ Units under the Accounts Dept. at the Corporate Office for the purpose of carrying out an inspection of the field offices of the Company with a view to see whether the various procedures and rules of the company are properly followed and whether the accounts registers and other records etc. are properly maintained. This is also intended to check authenticity of the transactions. The Inspection Units/ Teams carry out post audit of transactions. Pre-audit of the various transactions is also carried out by the Audit Section of the concerned offices.</p>

8	<p><i>On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Government of India under section 209(1)(d) of the Act have been made and maintained by the company. However, we are not required to carry out and have not carried out any detailed examination of such records and accounts.</i></p>	Factual
9(a)	<p><i>According to the information and explanations given to us and according to the books and records verified by us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.</i></p>	Factual
9(b)	<p><i>According to the information and explanation given &amp; representation made to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.</i></p>	Factual
10	<p><i>Since the company has been incorporated on 31st May 2005, clause 4(x) of the order regarding accumulated losses is not applicable.</i></p>	Factual
11	<p><i>In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the banks, financial institutions and debentures holders during the period.</i></p>	Factual



12	<i>According to the information and explanation given to us, the company has not granted any loans or advances against pledge of shares, debentures or other securities.</i>	Factual
13	<i>The company is not a Chit fund company or Nidhi / Mutual Benefit Fund / Society, hence clause 4(xiii) of the order is not applicable.</i>	Factual
14	<i>In our opinion and according to the information and explanation given to us, the company is not dealer or trader in securities.</i>	Factual
15	<i>According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.</i>	Factual
16	<i>In our opinion and according to the information and explanations given to us, and on overall examination of the Balance sheet of the company, the term loans raised during the period have prima facie been applied for the purpose for which they were raised.</i>	Factual
17	<i>According to the information and explanation given to us, and on overall examination of the balance sheet of the company, in our opinion there are no funds raised on short term basis which have been used for long term investments.</i>	Factual
18	<i>The company has not made any preferential allotment of shares during the period ended on 31<sup>st</sup> March, 2006.</i>	Factual

Sr No.	Statutory Auditors Report	MSETCL's Reply
19	<i>Since the company has not issued any debentures, the question of creation of securities for debentures does not arise.</i>	Factual
20	<i>The company has not raised any money by making a issue of shares during the period covered by our report.</i>	Factual
21	<i>According to the information and explanation given to us, no fraud on or by the company have been noticed or reported during the period.</i>	Factual

For and on behalf of  
Contractor Nayak & Kishnadwala  
Chartered Accountants

sd/-

**H. V. Kishnadwala**

Partner,  
Membership No 37391  
Mumbai, dated February 12, 2007

## AUDITORS' REPORT

To  
The Members of  
Maharashtra State Electricity Transmission Company Limited  
(Formerly known as Maharashtra State Transmission Company Limited)

1. We have audited the attached Balance Sheet of Maharashtra State Electricity Transmission Company Limited, (hereinafter referred to as MSETCL) as at 31st MARCH, 2006, Revenue Account of the period from 6th June 2005 to 31st March 2006 and the Cash Flow Statement for the said period annexed thereto.
2. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company is governed by the provisions of the Electricity (Supply) Act 2003, read with rules and the regulations issued thereunder. Section 616(c) of the Companies Act, 1956 also provides that special acts like Electricity Act, will apply to the extent the provisions of the Companies Act are inconsistent with the provisions of those acts. The financial statements of MSETCL are prepared in the format prescribed under Electricity (Supply) Annual Accounts Rules, 1985 (hereinafter referred to as 'ESAAR') as notified by the Central Government in Electricity Supply Act, 1948 read with the provisions of section 185(2)(d) of the Electricity Act, 2003.
4. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (amendment) Order 2004, issued by the Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
5. We have to invite your specific attention to the following:
  - a) As per Maharashtra Electricity Reforms Transfer Scheme, 2005 (hereinafter referred to as the 'transfer scheme') of the Government of Maharashtra notified on 4th June 2005, the Undertakings forming part of the Transmission Undertakings of the erstwhile Maharashtra State Electricity Board as set out in Schedule 'A' of the said notification were transferred and vested with effect from 6th June 2005 in MSETCL. On account of such transfer, equity shares of the face value of Rs. 26,95,99,00,000 (being the excess of assets over liabilities) were to be allotted to MSEB Holding Company Limited (hereinafter referred to as the Holding Company). Pending such allotment, this amount is shown as 'Share Suspense Account' in Schedule 33.
  - b) *The Company was incorporated on 31st May 2005. These financial statements however reflect transactions for the period 6th June 2005 to 31st March 2006. Due to this, transactions (including those related to incorporation expenses and preliminary expenses of the company), incurred during the period 31st May 2005 to 5th June 2005 have not been considered. This is in violation of the provisions of section 210 of the Companies Act, 1956.*
  - c) *The Certificate for Commencement of Business as required by section 149(2) of the Companies Act, 1956 without which a company cannot commence any business, was obtained by MSETCL from the Registrar of Companies, Ministry of Company Affairs on 15th September 2005. The company has however commenced its business from 6th June 2005 itself.*

- d) The amounts of assets and liabilities transferred to the company pursuant to the aforesaid Transfer scheme with effect from 6th June 2005 are subject to final approval of the Government of Maharashtra and are yet to be notified by the Government of Maharashtra. Changes in these amounts, if any, made at the time of notification may have an impact on these financial statements.
6. *The company has not complied with the following Accounting Standards (AS) issued by The Institute of Chartered Accountants of India as required by Sec. 211 (3C) of the Companies Act, 1956:*
- a) AS 1: Disclosure of Accounting Policies:
- The company has disclosed Statement of Accounting Policies (as per Statement 4). This statement however, only mentions the departures of the basic accounting principles and policies from ESAAR. The Company has not made any disclosure of the significant Accounting Policies adopted in the preparation and presentation of financial statements.*
- b) AS 2: Valuation of Inventories:
- i) *Inventories are valued at cost, which is not in accordance with the provisions of AS 2 which requires valuing Inventories at cost or net realizable value whichever is lower. As informed to us, the net realizable value of the inventory cannot be ascertained and hence effect of this departure has not been quantified;*
- ii) *Inventories includes 'Material Stock excess / shortage ñ pending investigation' amounting to Rs.1,52,19,244 which have not been charged to Profit and loss account.*
- iii) *The Inventories as on 31st March 2006 does not include value of scrap lying with the company. The value of the same is not ascertained by the company.*
- c) AS 6: Depreciation Accounting:
- i) *The Company has not provided depreciation on fixed assets acquired during the period. Due to this, the depreciation charge for the period is understated by an estimated amount of Rs. 6.82 crores with consequent effect on provision for depreciation.*
- ii) *The company has provided depreciation only upto 90 % of cost of assets, instead of provision of depreciation till 95 % value of assets as required by Schedule XIV of the Companies Act, 1956. The effect of this on the Profit and Loss account has not been quantified.*
- d) AS 10: Accounting for Fixed Assets:
- i) *The company has capitalised to the fixed assets, employee costs and other general administration charges incurred at its various circles (other than construction circles) amounting to Rs.3,40,34,538, on an ad-hoc basis rather than following the principle of identifying whether the said costs are directly related to the acquisition/construction of the fixed assets. This has resulted in overstatement of profits for the period, the effect of which has not been quantified.*
- ii) *Expenses on account of transit insurance, octroi and freight on capital goods incurred during the period are charged to the Profit and Loss account instead of including the same in cost of the fixed assets. This has resulted in understatement of profits for the period, the effect of which has not been quantified.*
- iii) *Assets which are not in active use (as per Schedule 22) are stated at written down value instead of written down value or net realizable value whichever is lower. As informed to us, net realizable value of these assets cannot be ascertained and hence the effect of same on the profit for the period cannot be quantified.*
- e) AS 12: Accounting for Government Grants

The amount of outright contribution (as per Schedule 34) Rs. 28,27,35,551 received from consumers towards cost of fixed assets is not reduced from the cost of assets constructed to the extent of construction of assets completed till the year end or from the relevant revenue expenditure incurred during the period. The effect of this on the profit for the period has not been quantified.

f) AS 15: Accounting for Retirement Benefits in the Financial Statements of Employers

The company has not made any provision for Leave encashment salary payable to employees and accounts for the same on cash basis. The amount of the same has not been quantified.

g) AS 16: Borrowing Costs

i) Expenses on account of borrowing cost consisting of Interest expenses are fully capitalized on all items of Capital Work in Process at the end of the year, rather than only on Qualifying Assets as required by AS 16. The effect of the same on the profits for the year is not quantified;

ii) Other ancillary costs like Guarantee charges and deferred costs related to restructuring of debt are not considered as borrowing costs as required by AS 16 for the purpose of capitalization to the fixed assets. The effect of the same on the profits for the year is not quantified;

iii) The company has during the period paid premium of Rs. 3,86,60,875 towards conversion of loans carrying higher rate of interest into loans carrying lower rates of interest. This amount has been treated as Deferred cost and has not been charged to the Profit and Loss account. As a result of the same, profit for period is overstated by Rs. 3,86,60,875.

h) AS 17: Segment Reporting

The company has not made disclosures regarding the primary segment in which the company operates and related information.

i) AS 18: Related Party Disclosures

The company has not made disclosures of related parties and transactions with these related parties.

j) AS 19: Leases

The company has not made disclosures regarding assets taken on lease.

k) AS 22: Accounting for taxes on Income

The company has not made disclosures relating to items of Deferred Tax Liabilities and Deferred Tax Assets and reasons for non-recognition of deferred tax on account of timing differences.

l) AS 26: Intangible Assets

i) The company has treated Rs. 52,18,20,334 being premium paid for conversion of loans carrying higher rate of interest into loans carrying lower rates of interest, transferred vide Transfer Scheme as Deferred cost (Schedule -23). Out of this an amount of only Rs. 8,63,11,012 has been charged to the Profit and Loss account rather than writing off of the entire amount to the Profit and Loss account.

ii) The Company considered an amount of Rs. 2016136 (being amount transferred as part of Transfer Scheme towards interest on lease agreements) as an Intangible asset (Schedule 24) and has not charged the same to the Profit and Loss account.

iii) The company has considered Rs. 1,84,153 as Deferred Revenue Expenditure which is not in accordance with AS 26.

As a result of the (i), (ii) and (iii) above, profit for period is overstated by Rs. 43,77,09,611;

m) AS 28: Impairment of Assets

*The company has not carried out the procedures required to ascertain whether there is any impairment of the fixed assets of the company as at the Balance Sheet date;*

n) AS 29: Provisions, Contingent Liabilities and Contingent Assets.

*The company has not made disclosures regarding provisions and contingent liabilities (including those related to guarantees issued by Government of Maharashtra on behalf of the company to its lenders).*

7. *The Company has not complied with the following provisions of The Companies Act, 1956:*

- a) *Attention is invited to paragraphs 5(b) and 5(c) of this report regarding non compliance with sections 210 and 149(2) of the Companies Act.*
- b) *The company has made provision for depreciation at the rates notified under ESAAR, which are different from those specified by Schedule XIV to the Companies Act, 1956. As per Schedule XIV to the Companies Act, 1956, the Company is required to disclose depreciation rates or useful life of the assets if these are different from the principal rates specified in the said schedule. The company has, however, not made such disclosure.*
- c) *Provisions of Sec.293(1)(d) of The Companies Act, 1956 limiting borrowing power of board to extent of paid up capital and free reserves were not complied during period between incorporation of the company and 28th September, 2005 the date on which resolution u/s.293(1)(d) was passed by shareholders.*

8. *No provisions/write-off has been done for Leave Travel assistance payable to employees, the amount of which is not quantified;*

9. *Balances of Secured Loans, Sundry Debtors, Sundry Creditors, Loans and Advances and various other debit / credit balances including of the holding company and other subsidiary companies of the holding company are subject to confirmations and adjustments necessary upon reconciliation. The effect of the adjustment arising from reconciliation and settlement of old dues and possible loss that may arise on account of non recovery or partial recovery of such dues is not ascertained. The impact of the above on the amounts as disclosed in the Balance Sheet and on the profit for the period is not quantified;*

10. *Further to our observations in the annexure referred to in paragraphs 4 to 9 above, we report that:*

- a) *Subject to our observations in paragraph 9 above, we have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;*
- b) *In our opinion, proper books of accounts, subject to non accounting of retirement benefits on accrual basis and non provision of expenses (as per Note 8 above), as required by law have been kept by the Company in so far as it appears from our examination of such books;*
- c) *The Balance Sheet and Revenue Account referred to in this report are in agreement with the books of accounts;*
- d) *In our opinion, the Balance Sheet and the Revenue account, subject to our comments in paragraph 6 above, comply with the Accounting Standards referred in sub-section 3C of Section 211 of the Companies Act, 1956.*
- e) *Pursuant to the notification number GSR 829(E) dated 17-07-2003 issued by the Government of India, the provisions of Sec 274(1)(g) of the Companies Act, 1956 are not applicable to the company.*
- f) *Subject to our remarks in paragraphs 4 to 9 above, the total impact of which on financial statements*

*has not be quantified, in our opinion and to best of our information and according to the explanations given to us, the said accounts read together with Statement of Accounting policies (Statement 4) and Notes to Accounts (Statement 5) both forming part of the accounts, gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view:*

- (i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2006;
- (ii) In the case of Revenue Account, of the Profit for the period ended on that date and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For and on behalf of  
Contractor Nayak & Kishnadwala  
Chartered Accountants

sd/-

**H. V. Kishnadwala**  
Partner,  
Membership No 37391  
Mumbai, dated February 12, 2007



**ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 4 OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE PERIOD ENDED ON 31ST MARCH 2006**

- 1(a) The company has continued maintenance of fixed assets registers of the erstwhile Maharashtra State Electricity Board (MSEB) at each location. *These registers however, need to be updated to show proper particulars, including quantitative details and situation, of the fixed assets.*
- 1(b) Subsequent to the year end, MSEB Holding Company Limited (the Holding company) has appointed external consultants to carry out physical verification of the fixed assets of the Company. As per the report of these external consultants, physical verification was conducted to cover about 90 % of the fixed assets of the Company. *The assets verified by these external consultants have however not been reconciled with the fixed asset registers as maintained (as per clause 1(a) above) by the company. In the absence of such record and verification we are unable to state whether there are any material discrepancies.*
- 1(c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal, in our opinion, does not affect the going concern status of the company.
- 2(a) As informed to us, inventories have been physically verified by the management in September 2005 a two major stores circles. *Materials lying at various construction sites, other circles and divisions were not verified by the management.*
- 2(b) *In our opinion, the procedure of physical verification of inventory followed by the management is not adequate in relation to size of the company and the nature of its business. In our opinion, physical verification of stores should be carried periodically for all circles and divisions and such verification procedures should be adequately documented.*
- 2(c) *On the basis of our test examination of records of inventory produced before us, in our opinion, the company has not maintained proper records of inventory. As explained to us, the discrepancies noticed on such physical verification of stocks as compared to book records were not material in relation to the operations of the company.*
- 3 On the basis of the records verified by us, the company has neither taken nor granted any loans to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 Thus provisions of clause 4(iii)(a) to 4(iii)(g) of the order are not applicable to the company for the period.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and sale of services. This being the first year of operation of the company, hence there is no continuing failure to correct major weaknesses in internal control.
- 5 According to the information and explanations given to us, there are no contracts or arrangements to companies or other parties which need to be entered in the register maintained under section 301 of the Companies Act, 1956. Hence clause 4(v)(a) and 4(v)(b) are not applicable for the period.
- 6 According to the information and explanations given to us, the company has not accepted deposits from the public within the meaning of the provisions of section 58 A of the Companies Act, 1956 and rules framed there under.
- 7 The company has its own Internal Audit department, *However, in our opinion the internal audit function suffers from inadequacies such as scope, coverage, extent, personnel and regular reporting in order to be commensurate with size and nature of its business.*
- 8 On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Government of India under section 209(1)(d) of the Act have been made and maintained by the company. However, we are not required to carry out and have not carried out any detailed examination of such records and accounts.



- 9(a) According to the information and explanations given to us and according to the books and records verified by us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
- 9(b) According to the information and explanation given & representation made to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- 10 Since the company has been incorporated on 31st May 2005, clause 4(x) of the order regarding accumulated losses is not applicable.
- 11 In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the banks, financial institutions and debentures holders during the period.
- 12 According to the information and explanation given to us, the company has not granted any loans or advances against pledge of shares, debentures or other securities.
- 13 The company is not a Chit fund company or Nidhi / Mutual Benefit Fund / Society, hence clause 4(xiii) of the order is not applicable.
- 14 In our opinion and according to the information and explanation given to us, the company is not dealer or trader in securities.
- 15 According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16 In our opinion and according to the information and explanations given to us, and on overall examination of the Balance sheet of the company, the term loans raised during the period have prima facie been applied for the purpose for which they were raised.
- 17 According to the information and explanation given to us, and on overall examination of the balance sheet of the company, in our opinion there are no funds raised on short term basis which have been used for long term investments.
- 18 The company has not made any preferential allotment of shares during the period ended on 31st March, 2006.
- 19 Since the company has not issued any debentures, the question of creation of securities for debentures does not arise.
- 20 The company has not raised any money by making a issue of shares during the period covered by our report.
- 21 According to the information and explanation given to us, no fraud on or by the company have been noticed or reported during the period.

For and on behalf of  
Contractor Nayak & Kishnadwala  
Chartered Accountants

sd/-

**H. V. Kishnadwala**  
Partner,  
Membership No 37391  
Mumbai, dated February 12, 2007

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS  
OF 'MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED'  
FOR THE PERIOD FROM 06.06.2005 TO 31.03.2006.**

<b>Sr. No.</b>	<b>AUDIT COMMENTS</b>	<b>COMPANY'S REPLY</b>
	<p>The preparation of financial statements of 'Maharashtra State Electricity Transmission Company Limited' for the period from 06.06.2005 to 31.03.2006 in accordance with financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by The Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on the financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 12 February 2007.</p>	<p><b>FACTUAL</b></p>
	<p>I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act 1956 of the financial statements of 'Maharashtra State Electricity Transmission Company Limited' for the period from 06.06.2005 to 31.03.2006. 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</p>	<p><b>FACTUAL</b></p>

<b>Sr. No.</b>	<b>AUDIT COMMENTS</b>	<b>COMPANY'S REPLY</b>
	<p>highlight the following significant matters under Section 619 (4) of the Companies Act 1956 which have come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related Audit Report.</p> <p>Maharashtra State Electricity Transmission Company Limited (MSETCL) was formed on 31st May 2005 consequent to the decision of the Government of Maharashtra to re-organise Maharashtra State Electricity Board (Board ) under the Provisions of part XIII (Re-organisation of Board) of the Electricity Act, 2003. The main business of the Company is transmission of electricity in the state.</p>	<b>FACTUAL</b>
	<b><u>FORMAT OF ACCOUNTS</u></b>	
1.	<p>The Company (MSETCL) was incorporated and registered under the Companies Act, 1956. However the Company has not prepared its account in the form set out in the Part-1 of schedule - VI as provided by the Section 211 of the Companies Act,1956.</p>	<p>As provided under Section 185(2) (d) of Electricity Act, 2003, All the Rule made under Sub section (1) of section 69 of Electricity (Supply) Act, 1948 (54 of 1948) shall continue to have effect until such Rules are rescinded or modified as the case may be. MSETCL has therefore followed the Electricity (Supply) (Annual) (Accounts) Rules, 1985 (ESAAR 1985). Meanwhile MSETCL has initiated work on Accounting Standards so that the Accounting Standards (AS) as required by Section 211 (3C) of the Companies Act, 1956 would be complied from F.Y. 2008-09.</p>

Sr. No.	AUDIT COMMENTS	COMPANY'S REPLY
	<p><b>BALANCE SHEET - ASSETS</b>  <b>Capital Expenditure in Progress</b>  <b>(Schedule-21)</b></p> <p><b>Capital work in Progress</b>  <b>(Account Code:14.1) - Rs. 651.36 crore</b></p>	
2.	<p>This is overstated by Rs. 7.79 crore due to non transfer of three completed works to fixed assets (EHVT Division Kolhapur). This has resulted in overstatement of capital works in progress by Rs. 7.79 crore and understatement of fixed assets to that extent (H.O)</p>	<p>Rs. 7.79 Crores pertains to three schemes viz 220 KV Niwali tap line (Rs. 0.65 crores), 220 KV Niwali S/Stn. (Rs. 7.03 crores), 220 KV Ichalkaranji S/Stn. (Rs. 0.11 crores) of EHVT Division Kolhapur, the WCR for which are under finalization and the amount will be transferred to assets by Nov. 2007. In respect of 220 KV Niwali S/S, LILO Works of about Rs. 100 lakh is in progress. The scheme to the extent put into commercial use is being capitalized by Nov. 2007.</p>
	<p><b>Advance to suppliers/Contractors/ (Capital)(Direct Debits)</b>  <b>(Account Code: 25.1 to 25.5) - Rs. 44.13 crore</b></p>	
3.	<p>The above account is overstated by Rs. 4.56 crore due to non-adjustment of items pending since 2003-04, though expenditure was charged to the concerned works.</p>	<p>Payment made for materials procured for DDW is booked to WIP However in the instant case amount of Rs. 4.56 crores is erroneously taken to Advances to suppliers / contractors (Account Head 25.5 XX). Necessary rectification entry is passed in 2006-07 for Rs. 4.56 crores by debiting WIP (i.e. Account Head 14.XXX &amp; crediting Account Head 25.5 XX). Moreover advances to suppliers/contractor are also appearing under Capital WIP only i.e. schedule 21.</p>

Sr. No.	AUDIT COMMENTS	COMPANY'S REPLY
	<b>Net Current Assets Total Current Assets (Schedule 26)</b>	
	<b>Loans and Advances (Schedule 26 (d)) - Rs. 62.18 Crore</b>	
	<b>Advances for O &amp; M supplies/ Works (Account Code - 26.1 to 26.7) Rs. 10.16 crore</b>	
4.	This account has been overstated by Rs. 10.83 lakh being the interest free advance given to suppliers and not adjusted since 1995 - 96. As such the same should have been written off. This has resulted in overstatement of loans and advances and surplus by Rs. 10.83 lakh.(H.O Accounts)	<p>Out of Rs. 10.83 Lakhs,</p> <p>(a) Rs. 2.04 lakhs pertains to Aurangabad Circle which was cleared in 2006-07.</p> <p>(b) Rs. 6.21 Lakhs pertains to Kalwa Circle which was cleared in 2006-07 (Rs. 0.24 lakhs) &amp; 2007-08 (Rs. 5.97 lakhs).</p> <p>(c) Rs. 2.48 lakhs was pertains to Karad Circle which was cleared in 2006-07.</p> <p>(d) Balance Rs. 0.09 lakhs was wrong accounting for which rectification entry is passed in 2006-07 by Karad Circle.</p>
	<b><u>LIABILITIES</u></b>	
	<b>Other Current Liabilities (Schedule 28)</b>	
	<b>Liability for O&amp;M Supplies/ Works (Account Code: 43.1 to 43.5) - Rs. 44.57 crore</b>	
5.	a) This does not include an amount of Rs. 98 lakh payable to M/s. Easun Reyrolle Ltd towards supply of materials Instead of creating the liability the same was wrongly credited to Advances to Suppliers, resulting in understatement of liability and	a) Rs. 98 lakhs pertains to M/S Easun Rerolle Ltd. for which Debit is raised on concern Major Stores and Credit is given erroneously to advances to Suppliers instead of liability for supply of material as in

Sr. No.	AUDIT COMMENTS	COMPANY'S REPLY
	<p>overstatement of Advances to suppliers by Rs. 98 lakh.</p> <p>b) This does not include an amount of Rs. 59 lakh payable to M/s Nexo structure Ltd towards supply of materials. This has resulted in understatement of liability as well as the Capital Expenditure in Progress (Schedule - 21) by Rs 59 lakh.</p>	<p>this case suppliers claims sent to PFC for direct payment is returned by PFC on 27.3.06 as a result advances to suppliers is not debited before 31.03.06.</p> <p>b) Rs. 59 lakhs pertaining to M/S Nexo Structure Ltd. The material is D.D.W. for which invoice was under process as a result the liability for supply of material was remained to be made. In this case the payment to supplier was made on 12.04.06 by debiting concerned circle, the I.B.A. for which was accepted by the Circle office by debiting WIP &amp; giving the credit to H.O. in August 2006.</p>
	<p><b>Liability for Expenses (A/c Code :46.4) - Rs. 167.69 crore</b></p>	
6.	<p>This does not include an amount of Rs. 6.71 lakh being the surveillance fee for the period from August 2005 - March 2006. Non provision for the same has resulted in understatement of liability and expenditure to the extent of Rs. 6.71 lakh and overstatement of surplus to that extent. (H.O Accounts)</p>	<p>The provision was remained to be made inadvertently in our books. However, the entire payment of Rs. 670523/- Lakhs has been paid vide cheque no. 531676 dt. 10.4.06.</p>
	<p><b>Capital Liabilities (Schedule - 32) Loan from Rural Electrification Corporation (A/c Code : 53.300-9) Rs. 362.80 crore</b></p>	
7.	<p>This is overstated by Rs. 5.17 crore due to double accountal of J.V.s during January to March 2006. This has resulted in overstatement of Capital Liabilities and Current Assets by Rs. 5.17 crore. (W.M. Section)</p>	<p>All the loan receipt &amp; allied transactions are looked after by MSEDCL before transferring the loans from MSEB to Other successor Companies i.e. (MSPGCLO, MSETCL). IBA for Rs. 5.17 cores is given twice by MSEDCL erroneously to MSETCL which is rectified in current year vide J.V. No. 229346 Dt. 31.03.07.</p>

**WHAT WE EARNED AND SPENT**

(Rs. In Lakhs)  
Period (06-06-05 to 31-03-06)

<b>WE EARNED (REVENUE)</b>	
Revenue from Transmission Charges	<b>118242</b>
Other Income	<b>928</b>
<b>Total Income</b>	<b>119170</b>
<b>WE SPENT (EXPENSES)</b>	
Expenditure on Repairs and Maintenance, Employee costs, Adm Expenses	<b>36071</b>
Less: Capitalised	<b>6221</b>
	<b>29849</b>
Depreciation & Related Debits	<b>38872</b>
Less: Capitalised	<b>35</b>
	<b>38837</b>
Interest and Finance Charges	<b>18855</b>
Less: Capitalised	<b>2155</b>
	<b>16700</b>
Provision for Income Tax	<b>2972</b>
<b>Total Expenditure</b>	<b>88358</b>
<b>What remained Surplus</b>	<b>30812</b>

**OUR POSITION**

(Rs. In Lakhs)

	As at 31-03-2006	As at 05-06-2005
<b>TOTAL ASSETS</b>		
Net Fixed Assets (including Intangible Assets)	435886	450426
Work-in-Progress	77556	66241
Other Assets	4900	5323
Investments	0	0
Net Current Assets	-20738	-47437
<b>Total</b>	<b>497604</b>	<b>474553</b>
<b>FINANCED BY</b>		
Borrowings for Working Capital	0	0
Funds from State Govt.	0	0
Equity Capital	269604	269599
Contribution, Grants & Subsidies towards Cost of Capital Assets	2827	0
Capital Liabilities(Including Payments due on Capital Liabilities)	194361	204954
Reserves and Reserve Funds	0	0
<b>SURPLUS</b>	<b>30812</b>	<b>0</b>
<b>TOTAL</b>	<b>497604</b>	<b>474553</b>



**REVENUE ACCOUNT**
**STATEMENT-1  
(RS.IN LAKHS)**

<b>SCH NO.</b>	<b>From 06-06-05 To 31-03-06</b>
<b>UNITS TRANSMITTED (IN MILLIONS) (NET)</b>	55760.943 MKWH
<b>INCOME</b>	
1 Revenue from Transmission Charges	118242
4 Revenue Subsidies and Grants	0
5 Other Income	928
<b>TOTAL</b>	<b>119170</b>
<b>EXPENDITURE</b>	
6 Purchase of Power	
7 Generation of Power	
8 Repairs and Maintenance	6779
9 Employee Costs	25894
10 Administration and General Expenses	3088
11 Depreciation & Related debits(Net)	38872
12 Interest and Finance Charges	18855
<b>SUB - TOTAL</b>	<b>93489</b>
Less: Expenses Capitalised	
13 Interest & Finance Charges Capitalised	2155
14 Other Expenses Capitalised	6257
<b>SUB - TOTAL</b>	<b>8412</b>
15 Other Debits.	309
16 Extraordinary Items.	0
<b>TOTAL (6 TO 16)</b>	<b>85386</b>
<b>PROFIT/(LOSS)BEFORE TAX</b>	<b>33784</b>
17 Provision for Fringe Benefit Tax	72
<b>PROFIT/(LOSS)BEFORE TAX AFTER FBT</b>	<b>33712</b>
17 Provision for Income Tax	2900
18 Net Prior Period Credits/(Charges)	0
<b>SURPLUS/(DEFICIT)</b>	<b>30812</b>
<b>Earnings Per Equity Share</b> (Face value of Rs. 10 per share)	(Amount in Rs)
Basic	61624.00
Diluted	1.14
Surplus as a Percentage of the value of Fixed Assets of the MSETCL in service at the beginning of year	4.50%
Minimum specified as per Electricity (Supply) Act	3.69%
For 299 days (06-06-05 to 31-03-06)	7.07%
<b>ACTUAL</b>	<b>7.07%</b>

**A.V. DESHPANDE**  
**CHIEF GENERAL MANAGER(F&A)**

**VINAYAK RAO**  
**DIRECTOR (FINANCE)**

**NET REVENUE AND APPROPRIATION ACCOUNT****STATEMENT - 2  
(RS. IN LAKHS)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>From 06.06.05 To 31.03.06</b>
1	Balance brought forward	-
2	Surplus/(Deficit) from Revenue Account	<b>30812</b>
3	<b>CREDITS</b>	-
	Transfer from General Reserve	-
4	<b>APPROPRIATIONS</b>	-
	Contributions to Reserves & Reserve Funds	-
	i)Sinking Fund for Repayment of Borrowings	-
	ii)General Reserve	-
	<b>BALANCE CARRIED FORWARD TO BALANCE SHEET</b>	<b>30812</b>

**A.V. DESHPANDE  
CHIEF GENERAL MANAGER(F&A)****VINAYAK RAO  
DIRECTOR (FINANCE)**

**BALANCE SHEET****STATEMENT-3  
(RS.IN LAKHS)**

Sch. No.	Particulars	As at 31st March 2006		As at 5 th june 2005	
		Rs.	Rs.	Rs.	Rs.
	<b>NET ASSETS</b>				
19*	Net Fixed Assets				
19a	Gross Block	<b>868295</b>		839088	
19b	Less: Accumulated Depreciation	<b>432429</b>		<u>388692</u>	
	Net Fixed Assets		<b>435866</b>		450396
21	Capital Expenditure in Progress		<b>77556</b>		66241
22	Assets not in use		<b>71</b>		17
23	Deferred Costs		<b>4829</b>		5306
24	Intangible Assets		<b>20</b>		30
25	Investments		<b>0</b>		0
	<b>NET CURRENT ASSETS</b>				
26	Total Current Assets	<b>66988</b>		5317	
	Less:-				
27	Security Deposits from Consumers	<b>0</b>		0	
28	Other Current Liabilities	<b>87726</b>		<u>52754</u>	
	Total Current Liabilities	<b>87726</b>		<u>52754</u>	
	Net Current Assets		<b>-20738</b>		-47437
29	Subsidy Receivable from Government				
	<b>NET ASSETS</b>		<b>497604</b>		474553
	<b>FINANCED BY</b>				
30	Borrowings for Working Capital		<b>0</b>		0
31	Payments due on Capital Liabilities				
	Interest accrued but not due on Government Loan		<b>0</b>		0
32	Capital Liabilities		<b>194361</b>		204954
33	Funds from State Government		<b>0</b>		0
33	Equity Capital		<b>269604</b>		269599
34	Contributions, Grants & Subsidies towards Costs of Capital Assets		<b>2827</b>		0
35	Reserves and Reserve Funds		<b>0</b>		0
	<b>SURPLUS / (DEFICIT)</b>		<b>30812</b>		
	<b>TOTAL FUNDS</b>		<b>497604</b>		474553
*	Schedule 20 relates to Function-wise Break-up of Fixed Assets				

**A.V. DESHPANDE**  
**CHIEF GENERAL MANAGER(F&A)**

**VINAYAK RAO**  
**DIRECTOR (FINANCE)**

**REVENUE FROM TRANSMISSION CHARGES****SCHEDULE -1  
(Rs. IN LAKHS)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Account Code</b>	<b>From 06.06.05 To 31.03.06</b>
1	Transmission Charges Recoveries	61.8	<b>118242.26036</b>
2	Miscellaneous Charges	61.9	
3	<b>TOTAL</b>		<b>118242.26036</b>

**REVENUE SUBSIDIES AND GRANTS****SCHEDULE -4  
(RS. IN LAKHS)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Account Code</b>	<b>From 06.06.05 To 31.03.06</b>
1	R.E.Subsidies	63.110	
2	Grants for Research and Development Expenses	63.120	
	<b>TOTAL</b>		<b>0.00000</b>

**OTHER INCOME****SCHEDULE -5  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 TO 31-03-06 Rs.
1	Interest on Staff Loans and Advances	62.210	17.26215
2	Income from Investments in Bank Deposits	62.220	11.06630
3	Interest On Securities	62.230	0.01652
4	Interest on Other Investments	62.290	
5	Interest on Loans and Advances to Licensees	62.240	
6	Delayed Payment Charges from Consumers	62.250	
7	Interest from Consumers	62.251	
8	Interest on Advances to Suppliers /Contractors	62.260	
9	Interest from Banks (other than on Fixed Deposits)	62.270	
10	Income from Trading	62.300	56.35144
11	Income from Staff Welfare Activities	62.600	1.63315
12	Miscellaneous Receipts	62.900	841.22163
<b>TOTAL</b>			<b>927.55119</b>

## PURCHASE OF POWER

SCHEDULE -6  
(RS. IN LAKHS)

Sr. No.	Particulars	Account Code	From 06-06-05 TO 31-03-06 Rs.
1	Power Purchased	70.1	
	i. Koyna Hydro Project	70.101	
	ii. Tata Electric Power Station	70.103	
	iii. Tarapur Atomic Power Station	70.105	
	iv. Gujarat Electricity Board	70.107	
	v. Madhya Pradesh Electricity Board	70.109	
	vi. Karnataka Electricity Board	70.111	
	vii. Rashtriya Chemicals & Fertilisers Corporation.	70.115	
	viii. Oil & Natural Gas Commission	70.117	
	ix. National Thermal Power Corporation	70.119	
	x. Kakrapar Atomic Power Station.	70.121	
	xi. Sugar Factories	70.123	
	xii. I. G. P. L	70.125	
	xiii. Wind Mills	70.127	
	xiv. B.S.E.S LTD.	70.129	
	xv. Power Purchased from Goa	70.132	
	xvi. Dabhol (Capacity payment)	70.133	
	xvii. Dabhol (Energy charges)	70.134	
	xviii. Power Purchased from Dhabhol Power Corp.	70.135	
	xix. Power Purchased from Bhandardara	70.136	
	xx. Power Purchased from WREB Payment as per "Availability Based Tariff" Unscheduled Interchange charges WRLDC	70.137	
	xxi. Power Purchased from WREB Payment as per "Availability Based Tariff" Reactive Energy charges WRLDC	70.138	
	xxii. Power Purchased from Power Trading Corporation of India	70.139	
	xxiii. Generation through soalr Energy	70.140	
	xxiv. Through Municipal Solid Waste - MSW	70.141	
	xxv. Small Hydro Projects I.e. upto 25MW under CPP Category	70.142	
	xxvi. Captive Power Purchased	70.143	
2	Total Power Purchased		0.00000
3	Write-off of costs of acquiring rights to receive power from other bodies	70.3	
4	Wheeling Charges	70.4	
	<b>Total</b>		<b>0.00000</b>

**GENERATION OF POWER**

**SCHEDULE -7  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
1	2	3	4
	<b>FUEL CONSUMPTION</b>		
1	Coal	71.110	
2	Oil		
	i) Furnace Oil	71.120	
	ii) Light Diesel Oil	71.121	
	iii) High Speed Diesel Oil	71.122	
3	Gas (Steam Power Generation)	71.130	
4	Gas (Internal Combustion)	71.140	
	a) L S & H S	71.141	
5	Coal Handling Plant		
6	TOTAL 1 TO 5		<b>0.00000</b>
7	i) Other Fuel Related Costs	71.2	
	ii) Freight variance on Coal Receipt	71.3	
	iii) Stock Shortages on Physical Verification of Coal Stock	71.410	
	iv) Stock Shortages on Physical Verification of Oil Stock	71.420	
	v) Stock Excess on Physical Verification of Coal Stock	62.710	
	vi) Stock Excess on Physical Verification of Oil Stock	62.720	
	Sub Total (i to vi)		<b>0.00000</b>
8	Sub-Total for Fuel Costs (6+7)		<b>0.00000</b>
9	Operating Expenses Cost of Water (Hydel/Thermal P.S)	71.500	
10	Lubricants & Consumable Stores	71.600	
11	Station Supplies	71.700	
12	Sub-Total for Operating Expenses (9 to 11)		<b>0.00000</b>
13	Cost of Generation of Power (8+12)		<b>0.00000</b>
14	Lease Rent of Hydro Power Stations	71.850	
15	Fuel Related Losses		
	i) Total Transit Loss I Coal	72.101	
	ii) Total Transit Loss II Coal	72.102	
	iii) Transit Loss of Oil	72.131	
	iv) Loss on Short Receipt of Gas	72.141	
	v) Difference on Settlement of Railway Claims for Coal	72.210	
	vi) Difference on Settlement of Railway Claims for Oil	72.220	
	vii) Difference in Grade of Coal	72.330	
	Sub Total (i to vii)		<b>0.00000</b>
16	Total (13 + 14 + 15)		<b>0.00000</b>
17	Excise Duty on Generation	71.800	
	<b>GRAND TOTAL</b>		<b>0.00000</b>



**REPAIRS AND MAINTENANCE****SCHEDULE -8  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
	<b>REPAIRS AND MAINTENANCE TO,</b>		
1	Plant and Machinery	74.1	5348.06113
2	Buildings	74.2	299.69541
3	Civil Works	74.3	358.33891
4	Hydraulic Works	74.4	
5	Lines, Cable Network etc.	74.5	629.42621
6	Vehicles	74.6	79.51442
7	Furniture and Fixtures	74.7	4.50326
8	Office Equipments	74.8	59.55588
	<b>TOTAL</b>		<b>6779.09522</b>

**EMPLOYEE COSTS****SCHEDULE -9  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
1	Salaries	75.1	10124.97847
2	Overtime	75.2	811.46896
3	Dearness Allowance	75.3	6594.94205
4	Other Allowance	75.4	2131.92117
5	Bonus/Ex-gratia	75.5	0.02620
6	<b>SUB TOTAL</b>		<b>19663.33685</b>
7	Medical Expenses Reimbursement	75.611	84.98609
8	Leave Travel Assistance	75.612	41.32226
9	Earned Leave Encashment	75.617	203.07316
10	Leave Salary Contribution (deputation staff)	75.618	
11	Honorarium	75.620	
12	Expenditure on paper setting etc.	75.621	13.15867
13	Payment under Workmen's Compensation Act	75.629	
14	Board's Contribution under Welfare Act.	75.640	6.04587
15	Administration Charges (Employees Deposit Linked Insurance Scheme)	75.645	0.20802
16	Board's Contribution (EDLIS)	75.646	
17	Board's Contribution to ESI Fund	75.650	5.00544
18	Medical Expenses Reimbursement (CHP)	75.681	
19	Medical Expenses Reimbursement (AHP)	75.682	
20	Medical Expenses Reimbursement (others)	75.683	0.10832
21	Leave Travel Assistance (CHP)	75.691	
22	Leave Travel Assistance (AHP)	75.692	
23	<b>TOTAL OTHER STAFF COSTS (7 TO 22)</b>		<b>353.90783</b>
24	Staff Welfare Expenses	75.7	120.31894
25	Terminal Benefits	75.8	5756.76764
	<b>TOTAL</b>		<b>25894.33126</b>

**ADMINISTRATION AND GENERAL EXPENSES**

**SCHEDULE -10  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
<b>1</b>	<b>Rent, Rates and Taxes</b>		
	i) Rent (Including Lease Rent)	76.101	75.69723
	ii) Rates and Taxes	76.102	471.15830
<b>2</b>	<b>Insurance</b>		
	i) Insurance on Fixed Assets	76.104	14.75899
	ii) Insurance on Stocks	76.105	0.05103
	iii) Insurance on Assets under Construction	76.106	0.57842
	iv) Insurance charges for HVDC Project	76.107	89.44174
	v) Lease rentals for HVDC project	76.108	95.80693
	vi) Taxes and charges for HVDC Projects	76.109	3.83228
<b>3</b>	<b>Telephone Charges, Postage, Telegrams and Telex Charges</b>	76.111 to 76.113	195.07852
<b>4</b>	<b>Legal Charges</b>	76.121	12.77769
<b>5</b>	<b>Audit Fees</b>	76.122	12.81860
<b>6</b>	<b>Consultancy Charges</b>	76.123	29.96981
<b>7</b>	<b>Technical Fees</b>	76.124	5.26386
<b>8</b>	<b>Other Professional Charges</b>	76.125	3.44545
<b>9</b>	<b>Remuneration to Chairperson/ Member (Consumer Grievance Redressal Forum)</b>	76.126	
<b>10</b>	<b>Conveyance and Travel</b>		
	i) Conveyance Expenses	76.131	4.40606
	ii) Travelling Expenses	76.132	253.51957
	iii) Travelling Allowance to Employees	76.133	0.26527
	iv) Travelling Expenses for foreign tour	76.134	2.44191
	v) Vehicle running Expenses Petrol & Oil (Other than for trucks/delivery vans)	76.136	287.44143
	vi) Vehicles Licence and Registration Fees	76.138	9.90614
	vii) Expenses of hire of Taxi	76.139	185.53722
<b>11</b>	<b>Other Expenses</b>		
	i) Fees and Subscriptions	76.151	25.93292
	ii) Books and Periodicals	76.152	2.51931
	iii) Printing and Stationary	76.153	109.24003
	iv) Advertisement Expenses	76.155	63.00677
	v) Contributions	76.157	
	vi) Electricity Charges	76.158	244.41885
	vii) Water Charges	76.160	166.03555

**ADMINISTRATION AND GENERAL EXPENSES**
**SCHEDULE -10  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
	viii) Entertainment	76.162	3.51302
	ix) Expenditure on Meetings, Conferences etc.	76.165	5.67545
	x) Up-keep of office	76.166	59.79510
	xi) Expenditure on Computer Billing & EDP Charges	76.167	0.04368
	xii) Expenditure on Consumers billing	76.168	
	xiii) Interest charges for late payment of Electricity Duty	76.169	
	xiv) Security Measures for Safety & protection contract basis	76.170	258.36467
	xv) Miscellaneous Expenses	76.190	0.00969
	xvi) Government Guarantee fee	76.191	
	xvii) Government Inspection fees for Board's Installations	76.192	182.52043
<b>12</b>	<b>Total of Other Expenses</b>		<b>1121.07547</b>
<b>13</b>	<b>Freight</b>		
	i) Freight on Capital Equipment	76.210	4.27630
	ii) Other Freight	76.220	0.62893
<b>14</b>	<b>Other Purchase Related Expenses</b>		
	i) Transit Insurance	76.230	18.21490
	ii) Vehicles running Expenses, Trucks and Delivery Van	76.240	81.90723
	iii) Octroi	76.250	37.22923
	iv) Advertisements of Tenders, Notices	76.260	49.11667
	v) Incidental Stores Expenses	76.270	6.26791
	vi) Other Material Related Expenses	76.279	15.36194
	vii) Fabrication Charges	76.281	
	Less:- Fabrication Charges absorbed in cost of Fabrications	76.282	
	<b>Total of Other Purchase Related Expenses</b>		<b>208.09788</b>
<b>15</b>	<b>Total Freight and Other Purchase Related Expenses (12 + 13)</b>		<b>213.00311</b>
<b>16</b>	<b>TOTAL</b>		<b>3088.27503</b>

**DEPRECIATION AND RELATED DEBITS (NET)**

**SCHEDULE -11  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
1	Depreciation	77.1& 77.2	<b>38871.04989</b>
2	Assets Decommissioning Costs	77.5	
3	Small & Low value items Written-off	77.6	
4	SUB TOTAL 1 TO 3		<b>38871.81840</b>
5	Written down value of Assets Scrapped	77.710	<b>0.00003</b>
6	Write-off of deficits of Fixed Assets observed upon Physical verification	77.720	
7	Loss on sale of Fixed Assets	77.730	
8	TOTAL 5 TO 7		<b>0.00003</b>
9	Total Debits ( 4 and 8 )		<b>38871.81843</b>
10	Less : Gain on Sale of Assets (excluding Capital gains transfered to Capital Reserve)	62.400	
11	<b>TOTAL</b>		<b>38871.81843</b>

**INTEREST AND FINANCE CHARGES**

**SCHEDULE -12  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
1	Interest on State Govt. Loans	78.100	
2	(i) Interest on State Govt. Bonds	78.200	<b>4520.54421</b>
	(ii) Private Bonds Interest and other finance charges	78.210	
	(iii) Foreign currency syndicate term interest and other finance charges	78.211	
3	Interest on Debentures	78.3	
	(i) Interest on Debentures	78.300	
	(ii) Interest on R.E. Debentures	78.320	
4	Interest on Foreign Currency		
	Loans and Credits	78.400	
	(i) Interest Charges SEB SWEDEN	78.441	<b>122.58913</b>
	(ii) Interest Charges credit SUISSE SWITZERLAND	78.442	<b>107.84887</b>
	(iii) Interest Charges KFW GERMANY	78.443	<b>117.13517</b>
	(iv) Interest Charges ANZ BANKING GR. LONDON	78.444	
5	Interest on other Loans/Deferred Credits	78.5	
	(i) Interest on Loans from LIC	78.501	<b>2078.24548</b>
	(ii) Interest on Loans from REC	78.510	<b>2730.89559</b>
	(iii) Interest on Loans from participating Banks for SPA Schemes	78.515	
	(iv) Interest on Loans from NABARD	78.516	
	(v) Interest on Loans from Commercial Banks for Electrification Schemes	78.517	
	(vi) Interest on Loans from IDBI	78.518	
	(vii) Interest on Loans from Tata Elec. Co.,	78.519	
	(viii) Interest on Loans from AFC	78.520	
	(ix) Interest and other finance charges U.T.I.	78.521	
	(x) Interest and other finance charges D.C. Bank, Pune	78.522	
	(xi) Interest and other finance charges C.Mis Relief Fund	78.523	
	(xii) Interest on Loans from ARFC	78.530	
	(xiii) Interest on Loans from CBI/ Canara Bank/HUDCO for Urban renovation schemes GTPS Uran	78.531	

**INTEREST AND FINANCE CHARGES**

**SCHEDULE -12  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.	
	(xiv) Interest on Loans from HDFC for staff quarters	78.532	<b>6887.04855</b>	
	(xv) Interest on Loans - Project from Power Finance Corporation	78.533		
	(xvi) Interest on R/M Loans from Power Finance Corporation	78.534		
	(xvii) Interest on Central Govt.Loans for R/M Scheme	78.535		
	(xviii)Interest on Loans for M.S.Co-op Bank for energisation of Agricultural pump set	78.536		
	(xix) Interest accrued & due on Indian Currency Loan IL & FS Bombay.	78.537		
	(xx) Interest on CCF Canara Bank Loan (If interest is to be treated as revenue expenditure)	78.538		
	(xxi) Interest on stock not guaranteed under Section 66 of Electricity (Supply) Act, 1948.	78.540		
	(xxii) Reimbursement on GOM Int Bonds issued by GOM in favour of CPSUS P P dues	78.541		
	(xxiii)Reimbursement on GOM Int Bonds issued by GOM in favour of CPSUS Coal dues	78.542		
	(xxiv)Interest on Bonds not guaranteed under Section 66 of Electricity (Supply) Act, 1948.	78.550		
	(xxv) Interest on stocks guaranteed under Section 66 of Electricity (Supply) Act, 1948.	78.560		
	(xxvi)Interest on other Loans	78.580		<b>64.76809</b>
6	Penal Interest in respect of Capital Liabilities	78.590		<b>16629.07509</b>
7	Interest to Consumers	78.6		
	i) Interest on Fixed Deposits	78.601		
	ii) Interest on Financial Participation of Consumers	78.602		
8	Total Interest on Capital Liabilities			
9	Interest on Borrowings for Working Capital	78.700		
10	Other Interest & Finance Charges	78.8		
11	Discount to Consumers for Timely Payment of Bills	78.820		
12	A) Interest to Suppliers/Contractors (Capital)	78.841		
	B) Interest to Suppliers/Contractors (O&M)	78.842		

**INTEREST AND FINANCE CHARGES**

**SCHEDULE -12  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
13	Interest on Consumers' Security Deposits	78.850	
14	Interest on Contributory Provident Fund	78.851	
15	Interest on General Provident Fund	78.852	
16	Other Interest - Interest on Security Deposits from Staff	78.853	
17	Cost of Raising Finance		
	i) Stamp Duty	78.861	<b>30.00000</b>
	ii) Legal Charges	78.862	
	iii) Advertisements	78.863	
	iv) Service Fee	78.864	<b>11.94598</b>
	v) Credit Fee	78.865	
	vi) Commitment Charges	78.866	
	vii) Lease Management Fees paid for HVDC Project	78.867	
	viii) Late fees paid for HVDC Project	78.868	
	ix) State Govt. guarantee fees	78.869	
	x) Other Expenses	78.870	
18	Discount on issue of Bonds/Debentures	78.871	
19	Interest on Deposits from V.D.S from consumers	78.872	
20	Premium on Redemption of Bonds/Debentures	78.873	
21	Other Charges		
	i) Bank Charges for Remittances between Board's Office	78.881	<b>0.04140</b>
	ii) Bank Commission for Collections from Consumers	78.882	
	iii) Other Bank Charges	78.883	<b>19.76608</b>
	iv) Guarantee Charges	78.884	<b>2164.32051</b>
22	Interest on sums paid by State Govt. under Guarantee	78.890	
	<b>Total</b>		<b>18855.14906</b>



**INTEREST AND FINANCE CHARGES CAPITALISED****SCHEDULE -13  
(RS. IN LAKHS)**

<b>From 06-06-05 To 31-03-06</b>	<b>2155.29670</b>
----------------------------------	-------------------

Detailed working for computing the amount of capitalised interest on funds used during construction stage is given on the next page.

**CAPITALISATION OF INTEREST**

**From 06-06-05 To 31-03-06**

**SCHEDULE-13A  
(RS. IN LAKHS.)**

Sch. Ref.	Sr. No.	A/C. Code No.	Esaar 1985 Ref.	PARTICULARS			
21	1	14.1	1(a)	<b>Assets at Construction Stage (ACS)</b>			
	5	15.1		Capital work in progress	65136.0594		
	7	15.2		Contracts in progress	1210.8563		
	8	15.5		Rev exp - pending alloc. over capital works	0.0000		
				Prov. for compl. Works	2.1816		
				<b>Assets at Construction Stage (ACS)</b>			<b>66349.0973</b>
19			1(b)	<b>Balance Net Assets (BNA)</b>			
22				Net Fixed Assets		435866.0472	
23				Assets not in use		70.6274	
24				Deferred Costs		4829.2407	
25				Intangible Assets		20.1867	
				Investments		0.0000	
26				Net Current Assets			
				Total Current Assets	66988.3509		
				Less			
27				Security Deposits	0.0000		
28				Other Current Liabilities	84869.8069		
29				Subsidy Receivable	0.0000		
				<b>Capital Stores &amp; Adv. for Capital supp/work</b>			
21	3	22.64		Material at sites (Direct Debit)	2294.1946		
	4	22.601 to 619		Material at const stores (Direct Debit)	1939.0572		
	13	22.64		Material at sites (capital) other th. dir. Deb.	0.0000		
	14	22.601 to 619		Material at const stores	55.2199		
	2	25.1 to 25.5		Adv. to Suppliers (Capital) (Direct Debit)	4413.0246		
	11	25.1 to 25.9		Adv. to Suppliers & Contractors	349.8710		
				<b>Balance Net Assets (BNA)</b>			
			2	Excess of Liability for cap. supply/works over Capital stores & Adv. for capital supply/works if any to be reduced from ACS		9051.3673	
							<b>431956.0133</b>

**CAPITALISATION OF INTEREST**

**From 06-06-05 To 31-03-06**

**SCHEDULE-13A  
(RS. IN LAKHS.)**

Sch. Ref.	Sr. No.	A/C. Code No.	Esaar 1985 Ref.	PARTICULARS				
28 21	6	42.1 to 42.7		ACS at 1(a) above Liability for cap.supply/works Capital stores & Adv.for capital supply/works	1763.7041 0.0000	66349.0973 1763.7041		
				<b>ACS</b>			<b>64585.3932</b>	
				BNA to be increased by that amount Add excess liability for cap. Supply/works		431956.0133 1763.7041		433719.7174
			3	BNA shall be derived after balance current assets are metted off current liab Already done				<b>433719.7174</b>
				<b>BNA</b>				<b>498305.1106</b>
			4	<b>Total Funds as per B/S will be classified</b>				
30	(a)			Borrowing for working capital				0.0000
31(a) 31(b)	(b)			Payment due on capital liabilities Payment due on capital liabilities Int. accrued but not due on Govt.Loans		0.0000 0.0000		0.0000
32	(c)			Loans having initial period of int.holiday				
				Dep.collected to be refunded after 8 yrs Financial participation by consumers Int. free loan from MIDC for elec.works		0.0000 0.0000 0.0000		
34	(d)			Other int. free liabilities				0.0000
35				Contr., grants & subsidies towards cost of capital assets Reserve Fund Reserve & Surplus Surplus of Rev.A/C before int capitalisation Surplus of previous year Equity Capital			2827.3555	0.0000
33(a)						31513.0365 269604.2046		301117.2411

**CAPITALISATION OF INTEREST**

**From 06-06-05 To 31-03-06**

**SCHEDULE-13A  
(RS. IN LAKHS.)**

Sch. Ref.	Sr. No.	A/C. Code No.	Esaar 1985 Ref.	PARTICULARS				
32			(g)	Interest bearing capital liabilities Capital liabilities Less Items 4(c) above	194360.5140			
33				Add Funds from State Govt.	0.0000 194360.5140			
							<b>194360.5140</b>	<b>498305.1106</b>
			5(a)	Borrowing for work.cap.& payment due on cap. Liab.shall be deemed to finance BNA & therefore deducted from BNA BNA at (3) above Less	433719.7174			
			5(b)	Borrowing for working capital Payment due on capital liabilities  Capital loans int. free shall be fully appor. against the ACS	0.0000 0.0000		<b>433719.7174</b>	
			5(c)	ACS at (2) above Less Loans having initial period of int.holiday Int. free cap.liab.proportionately divided over ACS & BNA	64585.3932 0.0000		<b>64585.3932</b>	
35			5(d)	Other int. free liabilities Reserve Fund shall be set off against Investments made against Funds Reserve Fund Less Investment against Funds	ACS 64585.3932 366.4539 <b>64218.9393</b>		BNA 433719.7174 2460.9016 <b>431258.8158</b>	
25	1	20.1						



**OTHER EXPENSES CAPITALISED****SCHEDULE -14  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
1	Capitalisation of cost of Generation during Trial stages	71.900	
2	Repairs and Maintenance capitalised	74.900	45.44286
3	Employees costs capitalised	75.900	6175.96725
4	Administration & General Expenses capitalised	76.900	
5	Depreciation and related costs capitalised	77.900	35.10945
	<b>Total</b>		<b>6256.51956</b>

## OTHER DEBITS

SCHEDULE -15  
(RS. IN LAKHS)

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
1	Materials Cost Variance	79.1	<b>186.27663</b>
	i) Materials Cost Variance Capital	79.110	
	ii) Materials Cost Variance O & M	79.120	
	iii) Coal Cost Variance Accounts	79.125	
	iv) Materials Cost Variance A/Cs	79.130	
2	Research & Development Expenses	79.210	
3	Cost of Trading/Manufacturing Activity	79.300	
4	Bad & Doubtful Debts written Off/provided for	79.4	
	i) Bad Debts Written off-Dues from Consumers	79.410	
	ii) 50% B.P Interest out of arrears 01.04.03 Agri Cons w/o under Krishisanjivani	79.411	
	iii) D.P.C out of arrears 01.04.03 Agri Cons w/o under Krishisanjivani	79.412	
	iv) 60% Interest waived out of arrears for current financial year DWW/PWW	76.413	
	v) 50% balance portion of interest out of arrears due as on 31.03.06 in respect of 'Powerloom Consumers' to be written off under 'Yantramag Sanjivani Yojana'	76.414	
	vi) Entire Portion of Delayed payment charges out of arrears due as on 31.03.06 in respect of 'Powerloom consumers' to be written off under 'Yantramag Sanjivani Yojana'	79.415	
	vii) 50% balance portion of interest out of arrears due as on 30.06.04 in respect of 'Public Water Supply Scheme' to be written off under 'Public Water Supply Scheme Sanjivani Yojana'	79.416	
	viii) Entire Portion of Delayed payment charges out of arrears due as on 30.06.04 in respect of 'Public Water Supply Scheme' to be written off under 'Public Water Supply Scheme Sanjivani Yojana'	79.417	
	vii) Bad Debts Written off- Advances to Suppliers/Contractors	79.420	
	viii) Bad Debts Written off- Others	79.430	
	ix) Bad & Doubtful Debts Provided for dues from Consumers	79.460	
	x) Bad & Doubtful Debts Provided for Advances to Suppliers/Contractors	79.470	
	xi) Bad & Doubtful Debts provided for Others	79.480	
5	Miscellaneous Losses & Write-off	79.5	<b>2.84537</b>
	i) Shortages on Physical Verification of Stocks	79.510	
	ii) Loss of Materials by Pilferage etc.	79.511	
	iii) Loss on Settlement of claims for materials	79.512	
	iv) Write-off of P.C. Poles broken in transit	79.513	
	v) Loss of Cash written-off	79.520	
	vi) Compensation for injuries, death and damages to staff	79.530	
	vii) Compensation for injuries, death and damages to outsiders	79.531	
	viii) Infructuous Capital Expenditure written-off	79.532	<b>0.25136</b>



## OTHER DEBITS

SCHEDULE -15  
(RS. IN LAKHS)

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
	ix) Loss on obsolescence of Fixed Assets	79.560	0.28920
	x) Loss on obsolescence of Stores	79.561	
	xi) Loss on Exchange Rate Variation	79.570	109.21726
	xii) Sundry Debit Balance Written-off	79.571	
	xiii) Loss on Sale of Scrap	79.572	
	xiv) Loss on sale of Stores	79.573	
	xv) Loss on sale of Broken Poles	79.574	
	<b>SUB TOTAL OF 5</b>		<b>112.60319</b>
6	Sundry Expenses		
	i) Intangible Assets Written off	79.710	0.02531
	ii) Intangible Assets Interest charges for HVDC project - Written off	79.711	10.08573
	iii) Write-off of Deferred Revenue Expenditure	79.721	
	iv) Concession granted to the Agricultural consumers (for arrears recovery)	79.722	
	v) Concession granted to the Power loom consumers	79.723	
	vi) Difference due to rounding off to nearest Rupees	79.725	-0.00038
	vii) 50% P Amt arrears .01.04.03 of Agri Consumers to be reimbursed by GoM under Krishisanjivani Yojana	79.726	
	viii) 50% Int. P arrears .01.04.03 of Agri Consumers to be reimbursed by GoM under Krishisanjivani Yojana	79.727	
	ix) 50% Remission of Cum. Bills of Agri. Consumers to be reimbursement by GoM under Krishisanjivani Yojana	79.728	
	x) 50% of Principal Amount out of arrears due as on 31.03.04 in r/f ePowerloom Consumers to be reimbursed by the GoM under eYantramag Sanjiwani Yojana	79.729	
	xi) 50% of Interest Portion out of arrears due as on 31.03.04 in r/f ePowerloom Consumers to be reimbursed by the GoM under eYantramag Sanjiwani Yojana	79.730	
	xii) 50% of Principal Amount out of arrears due as on 30.06.04 in r/f ePublic Water Supply Scheme to be reimbursed by the GoM under ePublic Water Supply Scheme Sanjiwani Yojana	79.731	
	xiii) 50% of Interest Portion out of arrears due as on 30.06.04 in r/f ePublic Water Supply Scheme to be reimbursed by the GoM under ePublic Water Supply Scheme Sanjiwani Yojana	79.732	
	xiv) Concessions granted to Agriculture Consumers from July 2004 onwards for which ZERO AMOUNT is payable by the Ag. Consumers and to be reimbursed by the GoM	79.733	
	<b>SUB TOTAL OF 6</b>		<b>10.11066</b>
7	Tax on Sale of Electricity	79.900	
	<b>TOTAL</b>		<b>308.99048</b>

**EXTRAORDINARY ITEMS****SCHEDULE -16  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
1	Extraordinary Credits i) Subsidies against Losses on A/c of Flood, Fire, Cyclone etc.	63.200	
	<b>TOTAL CREDITS</b>		
2	Extraordinary Debits i) Loss to Fixed Assets on account of Flood, Cyclone, Fire etc.	79.881	
	ii) Loss to Stocks on account of Flood, Cyclone, Fire etc.	79.882	
	iii) Loss to Assets under Construction on account of Flood, Cyclone, Fire etc.	79.883	
	iv) Loss on write off of dues from Consumers' in areas affected by Flood, Cyclone, Fire etc.	79.884	
	<b>TOTAL DEBITS</b>		<b>0.00000</b>
	<b>EXTRAORDINARY ITEMS (NET)</b>		<b>0.00000</b>

**PROVISION FOR INCOME TAX****SCHEDULE -17  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 TO 31-03-06 Rs.
1	Provision for Income Tax	46.8	<b>2900.00000</b>
2	Provision for Fringe Benefit Tax		<b>72.00000</b>
	<b>TOTAL</b>		<b>2972.00000</b>

## NET PRIOR PERIOD CREDITS/CHARGES

SCHEDULE -18  
(RS. IN LAKHS)

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.
1	Income relating to Previous Year		
	i) Coal Related Gains of Prior Periods	65.110	
	ii) Oil Related Gains of Prior Periods	65.120	
	iii) Gas Related Gains of Prior Periods	65.130	
	iv) Receipts from Consumers relating to prior Periods	65.200	
	v) Interest Income for Prior Periods	65.400	
	vi) Excess Provision for Income Tax in prior Periods	65.500	
	vii) Excess Provision for Depreciation in prior Periods	65.600	
	viii) Excess Provision for Interest and Finance Charges in Prior Periods	65.700	
	ix) Other Excess Provision in prior Periods	65.800	
	x) Other Income Relating to Prior Periods	65.900	
	<b>SUB TOTAL1 (i to x)</b>		<b>0.00000</b>
2	Prior Periods Expenses/Losses		
	i) Short Provision for Power purchased in previous years	83.100	
	ii) Coal Related Expenses/Losses Relating to Previous Years	83.210	
	iii) Oil Related Expenses/Losses Relating to Previous Years	83.220	
	iv) Gas Related Expenses/Losses Relating to Previous Years	83.230	
	v) Operating Expenses of previous years	83.300	
	vi) Excise Duty on Generation Relating to Previous Years	83.400	
	vii) Employees Costs Relating to Previous Years	83.500	
	viii) Pay fixation Arrears - Basic	83.501	<b>0.00000</b>
	ix) Pay fixation Arrears - DA	83.502	<b>0.00000</b>
	x) Pay fixation Arrears - Other Allowances	83.503	<b>0.00000</b>

**NET PRIOR PERIOD CREDITS/CHARGES**

**SCHEDULE -18  
(RS. IN LAKHS)**

Sr. No.	Particulars	Account Code	From 06-06-05 To 31-03-06 Rs.	
	xi) Pay fixation Arrears - BS-CPF	83.504	0.00000	
	xii) Depreciation under provided in previous years	83.600		
	xiii) Interest and Other Charges relating to previous year	83.700		
	xiv) Reimbursement Interest for 01.10.01 to 31.03.03 on Bonds issued by GOM in favour of CPSUS P P Dues	83.701		
	xv) Reimbursement Interest for 01.10.01 to 31.03.03 on Bonds issued by GOM in favour of CPSUS Coal Dues	83.702		
	xvi) Short Provision for Income Tax in previous year	83.810		
	xvii) Administration Expenses in previous year	83.820		
	xviii) Adjustment due to concession granted to powerloom consumers	83.830		
	xix) Material Related Expenses Relating to Previous Years	83.840		
	xx) Adjustment to Past Billing Relating to Previous Years	83.900		
	xxi) Adjustment due to concession granted to Agri. Consumers.	83.910		
	xxii) 60% of interest portion waived out of arrears for prior period due from DWW/PWW	83.911		
	xxiii) Refund of FOCA in respect of Powerloom Consumers for the period from 01.04.2001 to 30.11.2003 and to be reimbursed by the GoM	83.912		
	xxiv) Refund of Electricity Duty in respect of Powerloom Consumers from May 2000 and to reimbursed by the GoM	83.913		
	SUB TOTAL 2 (i to xviii) (i to xxiv)			0.00000
3	<b>NET PRIOR PERIOD CREDITS/(CHARGES)</b>	<b>(1-2)/(2-1)</b>		<b>0.00000</b>

**FIXED ASSETS AND PROVISION FOR DEPRECIATION**

**SCHEDULE-19  
(Rs. In Lakhs.)**

		GROSS BLOCK						PROVISION FOR DEPRECIATION					
Sr. No.	Assets Group	Account Code	As on 06-06-05	Additions During the Period 06-06-05 to 31-03-06	Deductions During the Period 06-06-05 to 31-03-06	As on 31-03-06	As on 06-06-05	Depreciation For the Period 06-06-05 to 31-03-06	Dep/Adjustment During the Period 06-06-05 to 31-03-06	As on 31-03-06	As on 31-03-06		
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
1	2	3	4	5	6	7	8	9	10	11	12		
1	Land & Land Rights	10.1	8687.60358	735.31167		9422.91525	5305.28374	44.99715	-4869.22163	481.05926	8941.85599		
2	Buildings	10.2	26047.79198	1005.59920		27053.39118	10066.31488	908.01179	75.64344	11049.97011	16003.42107		
3	Hydraulic Works	10.3	2209.77095	22.90567		2232.67662	522.18365	69.67886	3.00713	594.86964	1637.80698		
4	Other Civil Works	10.4	26098.40899	848.80047	0.09166	26947.11780	541.72272	710.96006	4923.07097	6175.75375	20771.36405		
5	Plant & Machinery	10.5	439328.51953	11808.26727	250.27507	450886.51173	230460.23241	22916.19208	2023.95119	255400.37568	195486.13605		
6	Lines & Cable Networks	10.6	333787.77234	14926.00448		348713.77682	139389.24885	14136.13175	2681.00027	156206.38087	192507.39595		
7	Vehicles	10.7	1404.70491	39.53431	6.57212	1437.66710	1259.94543	3.35303	22.30675	1285.60521	152.06189		
8	Furniture & Fixtures	10.8	989.99102	63.19817	0.00677	1053.18242	744.43537	48.71139	2.91022	796.05698	257.12544		
9	Office Equipment	10.9	533.29876	14.26666	0.05966	547.50576	402.76831	33.78232	2.07532	438.62595	108.87981		
	<b>SUB TOTAL</b>		839087.86206	29463.88790	257.00528	868294.74468	388692.13536	38871.81843	4864.74366	432428.69745	435866.04723		
10	Capital Expenditure resulting in Assets not belonging to the MSETCL	11.1							0.00000		0.00000		
11	Spare/Service Units	11.2											
12	Capital Spares at Generating Stations	11.3											
13	Assets Transfer Inward	11.4											
14	Assets Taken over from Licensees Pending final valuation	11.5							0.00000		0.00000		
	<b>TOTAL</b>		839087.86206	29463.88790	257.00528	868294.74468	388692.13536	38871.81843	4864.74366	432428.69745	435866.04723		

**FUNCTIONWISE BREAK-UP OF FIXED ASSETS**

**SCHEDULE-20  
(RS. IN LAKHS.)**

Sr. Functions No.	GROSS BLOCK		PROVISION FOR DEPRECIATION				NET BLOCK	
	As on 06-06-05	Additions/ Deductions During the Period 06-06-05 to 31-03-06	As on 31-03-06	As on 06-06-05	Depreciation For the Year Adjustments/ Period 06-06-05 to 31-03-06	As on 31-03-06	As on 31-03-06	As on 06-06-05
I	Trans 500 KV	99.07863	226236.98486	92450.43896	12227.48945	104677.92841	121559.05645	133687.46727
II	Trans 440 KV							
III	Trans 400 KV	4437.34889	197849.46761	92301.14770	8774.64297	101075.79067	96773.67694	101110.97102
IV	Trans 220 KV	11155.54739	219292.71789	92648.70775	10295.99757	102944.70532	116348.01257	115488.46275
V	Trans 132 KV	11477.67155	135534.10805	66392.08387	8261.77677	74653.86064	60880.24741	57664.35263
VI	Trans 110 KV	583.10095	8203.21612	3417.59560	652.56379	4070.15939	4133.05673	4202.51957
VII	Trans 100 KV	-0.00001	7981.08038	3969.01206	379.60238	4348.61444	3632.46594	4012.06833
VIII	Trans 66 KV	1132.31171	57822.20116	30999.59914	2576.30094	33575.90008	24246.30108	25690.29031
IX	Consumers' Servicing							
X	Civil Maintenance	252.47196	11503.30891	4820.74230	342.25146	5162.99376	6340.31515	6430.09465
XI	Stores	4.13528	557.40360	194.49495	5.03470	199.52965	357.87395	358.77337
XII	Administrative Offices	65.21627	3314.25610	1498.31303	220.90206	1719.21509	1595.04101	1750.72680
	<b>TOTAL</b>	<b>29206.88262</b>	<b>868294.74468</b>	<b>388692.13536</b>	<b>43736.56209</b>	<b>432428.69745</b>	<b>435866.04723</b>	<b>450395.72670</b>

**CAPITAL EXPENDITURE IN PROGRESS**

**SCHEDULE -21  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 05-06-2005
1	Capital Work-in-Progress	14.1	<b>65136.05940</b>	54696.32212
2	Advances to Suppliers (Capital)	25.1		
	(Direct Debits)	& 25.5	<b>4413.02464</b>	
3	Material at Site (Direct Debits)	22.640	<b>2294.19464</b>	2738.61047
4	Materials at Construction Stores (Direct Debits)	22.601		
		to 22.619	<b>1939.05719</b>	2036.33612
5	Contracts-in-Progress	15.1	<b>1210.85629</b>	2763.77310
6	SUB-TOTAL (1 TO 5)		<b>74993.19216</b>	62235.04181
7	Revenue Expenses pending allocation over Capital works	15.2		
8	Provision for Completed Works	15.5	<b>2.18163</b>	113.83370
9	Interest Charges Capitalised		<b>2155.29670</b>	586.04296
10	ASSETS AT CONST. STAGE (6 TO 9)		<b>77150.67049</b>	62934.91847
11	Advances to Suppliers/Contractors (Capital)	25.1 to 25.9	<b>349.87100</b>	3306.57870
12	SUB-TOTAL (10 TO 11)		<b>77500.54149</b>	66241.49717
13	Material at Site (Capital) (Other Than Direct Debits)	22.640		
14	Material at Construction Stores	22.601 to 22.619	<b>55.21986</b>	
	<b>TOTAL</b>		<b>77555.76135</b>	66241.49717



## ASSETS NOT IN USE

SCHEDULE - 22  
(RS. IN LAKHS)

Sr. No.	Asset group	Account Code	As at 06-06-05	Additions During the period 06-06-05 to 31-03-06	Deductions During the period 06-06-05 to 31-03-06	As at 31-03-06
1	2	3	4	5	6	7
	<b>Written down value of Obsolets/Scraped Assets</b>					
1	Building	16.110				
2	Hydraulic Works	16.120				
3	Other Civil Works	16.130	0.02392	<b>0.00916</b>		<b>0.03308</b>
4	Plant & Machinery	16.140	15.53823	<b>53.01691</b>	<b>0.23258</b>	<b>68.32256</b>
5	Lines & Cable Networks	16.150	0.40268	<b>0.21797</b>	<b>0.21419</b>	<b>0.40646</b>
6	Vehicles	16.160	0.27373	<b>0.65722</b>	<b>0.05662</b>	<b>0.87433</b>
7	Furniture & Fixtures	16.170	0.16893			<b>0.16893</b>
8	Office Equipments	16.180	0.16436	<b>0.00066</b>		<b>0.16502</b>
9	Other	16.190	0.65179	<b>0.00596</b>	<b>0.00078</b>	<b>0.65697</b>
<b>TOTAL</b>			17.22364	<b>53.90788</b>	<b>0.50417</b>	<b>70.62735</b>

## DEFERRED COSTS

SCHEDULE -23  
(RS. IN LAKHS)

PARTICULARS	Account Code	As at 06-06-05	Cost deferred During the period 06-06-05 to 31-03-06	Cost charged to revenue During the period 06-06-05 to 31-03-06	As at 31-03-06
1	2	3	4	5	6
<b>DEFERRED REVENUE EXPENDITURE</b>	17.2				
Compensation for Premature Take-Over of Licensees	17.221				
Fixed Assets Pending Investigation	17.250	87.17579	<b>0.31897</b>	<b>1.77224</b>	<b>85.72252</b>
Other Deferred Revenue Expenditure	17.299	5218.20334	<b>386.60875</b>	<b>863.11012</b>	<b>4741.70197</b>
<b>Total Deferred Revenue Expenditure</b>		5305.37913	<b>386.92772</b>	<b>864.88236</b>	<b>4827.42449</b>
Expenditure On Survey/ Feasibility Studies of Project Not yet Sanctioned	17.300	0.11850	<b>1.69772</b>		<b>1.81622</b>
Expenses Incurred On Raising Finance	17.400				
<b>Total Deferred Cost</b>		5305.49763	<b>388.62544</b>	<b>864.88236</b>	<b>4829.24071</b>

**INTANGIBLE ASSETS**

**SCHEDULE -24  
(RS. IN LAKHS)**

PARTICULARS	Account Code	As at 06-06-05	Cost deferred During the period 06-06-05 to 31-03-06	Cost charged to revenue During the period 06-06-05 to 31-03-06	As at 31-03-06
1	2	3	4	5	6
a) Payments To Acquire Right to Receive Power/ Water for Power Station.	18.100				
b) Payments towards Oracle Product	18.110	<b>0.05062</b>		<b>0.02531</b>	<b>0.02531</b>
c) Cost of Raising Finance	18.200				
d) Expenses For forming and organising the Board Intangible Assets Interest Charges paid to IL and FS For HDVC Lease Agreement	18.250	<b>30.24709</b>		<b>10.08573</b>	<b>20.16136</b>
<b>TOTAL</b>		<b>30.29771</b>	<b>0.00000</b>	<b>10.11104</b>	<b>20.18667</b>

**INVESTMENTS**

**SCHEDULE -25  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 06-06-05	Further Investment During the period 06-06-05 to 31-03-06	Investment realised During the period 06-06-05 to 31-03-06	As at 31-03-06	Details of investments Certificates Etc. pledged on given as Security Deposit
1	Investments against Funds	20.1					
	(i) Staff pension Fund Investments	20.110					
	(ii) Gratuity Fund Investments	20.120					
	(iii) Depreciation Reserve Fund Investments	20.130					
2	Investments other than Fund Investments	20.2					
	(i) Investments in Govt. Securities	20.210					
	(ii) Investments in Bonds Debentures of other Electricity Boards	20.230					
	(iii) Investments in Bonds/ Debentures of other bodies engaged in Generation, Transmission or Distribution of Power	20.250					
	(iv) Investments in shares in Corporations and Public Limited Companies	20.270					
	(v) Investment in shares in Dabhol company	20.271					
	(vi) Investments in the form of Fixed Deposits with Banks, Companies etc.	20.280		5800.00000	5800.00000	0.00000	
	(vii) Other Investments	20.290		8721.68633	8721.68633		
	<b>TOTAL</b>		0.00000	<b>14521.68633</b>	<b>14521.68633</b>		
3	Investments in Subsidiaries	20.3					
	(i) Investment of equity shares in subsidiaries(MPDC Ltd.)	20.311					
	(ii) Loans to subsidiaries Maha. power develop. Corporation mpdcl	20.331					
4	Investments in partnerships Joint Ventures	20.4					
	<b>TOTAL</b>		0.00000	<b>14521.68633</b>	<b>14521.68633</b>	<b>0.00000</b>	

**TOTAL CURRENT ASSETS****SCHEDULE -26  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 05-06-2005
1	Stocks	26(a)	<b>6583.06099</b>	2402.12195
2	Receivable against Transmission Charges	26(b)	<b>26457.16261</b>	0.00000
3	Cash and Bank Balances	26(c)	<b>1001.62008</b>	717.09166
4	Loans and Advances	26(d)	<b>6217.51876</b>	1316.93250
5	Sundry Receivables	26(e)	<b>26728.98847</b>	880.86255
	<b>TOTAL</b>		<b>66988.35091</b>	5317.00866

**STOCKS**

**SCHEDULE -26(a)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 06-06-2005
1	Fuel Stocks			
	i) Coal Stock	21.101		
	ii) Rejected Coal Stock	21.102		
	iii) Oil Stock-LDO	21.103		
	iv) Oil Stock-HSD	21.104		
	v) Oil Stock-Furnance Oil	21.105		
	vi) Oil Stock-LSHS	21.106		
	vii) Gas	21.108		
2	Coal in Transit	21.121		
3	Oil in Transit	21.125		
	<b>Sub-Total</b>		<b>0.00000</b>	0.00000
4	Insurance Spares Stock Account	22.1		
5	Stock of Materials at Construction Stores	22.601 & 22.619		
6	Stock of Materials at Other Stores	22.621 to 22.639	<b>4984.71330</b>	1763.35878
7	Materials at Site A/c (O&M) (MASA Capital A/c 22.640 shown under Schedule-21)	22.640 & 22.650		
8	Materials pending Inspection	22.660 & 22.670	<b>1273.35959</b>	216.06988
9	Material-in-Transit	22.680 & 22.690		
10	Other Materials Accounts	22.7	<b>172.79566</b>	266.93621
11	Fuel Stock Excess/Shortage Pending Investigation	21.2		
12	Materials Stock Excess/ Shortage- Pending Investigation	22.8	<b>152.19244</b>	155.75708
	<b>TOTAL</b>		<b>6583.06099</b>	2402.12195

**RECEIVABLES AGAINST TRANSMISSION CHARGES**
**SCHEDULE -26(b)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 06-06-2005
1	Sundry Debtors for Transmission Charges	23.1	<b>26457.16261</b>	<b>0.00000</b>
2	Sundry Debtors for Inter State Sale of Power	23.6		
3	Sundry Debtors for Electricity Duty	23.2		
4	Provision for Unbilled Revenue	23.4		
5	Dues from Permanently Disconnected Consumers (Net of Security Deposits forfeited)	23.5		
6	Sundry Debtors Miscellaneous Receipts from Consumers	23.7		
7	Receivable from Government towards Agricultural and Powerloom Consumers	23.8		
	<b>SUB TOTAL</b>		<b>26457.16261</b>	<b>0.00000</b>
8	Less:			
	i) Sundry Debtors Collections A/c and Unposted Receipts	23.3		
	ii) Provision for Doubtful Dues from Consumers	23.9		
	<b>TOTAL</b>		<b>26457.16261</b>	<b>0.00000</b>

**CASH AND BANK BALANCES**
**SCHEDULE -26(c)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 06-06-2005
1	Cash in hand	24.1	<b>9.89616</b>	6.13319
2	Cash Imprest with Staff	24.2	<b>0.08545</b>	0.31840
3	Balances with Banks	24.3 & 24.4	<b>739.04012</b>	215.25667
4	Cash in Transit	24.5 & 24.6	<b>252.59835</b>	495.38340
5	Deposit with Government Treasury	24.7		
	<b>TOTAL</b>		<b>1001.62008</b>	717.09166



**LOANS AND ADVANCES**
**SCHEDULE -26(d)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 06-06-2005
1	Advances for O&M Supplies / Works	26.1 to 26.7	<b>1016.12057</b>	355.42385
2	Advances for Fuel Supplies	26.8		
3	Advances to Contractors(O&M)	26.9		
4	SUB-TOTAL OF 1 To 3		<b>1016.12057</b>	355.42385
5	Loans & Advances to Staff	27.1 & 27.2	<b>982.98972</b>	947.27645
6	Loans & Advances to Licensees	27.3		
7	Advance Income Tax/Deductions at source	27.4	<b>4179.21131</b>	
8	Loans & Advances-Others	27.8	<b>39.19716</b>	14.23220
9	TOTAL 4 to 8		<b>6217.51876</b>	1316.93250
10	Less: Provision for Doubtful Loans & Advances			
11	<b>TOTAL (9 - 10)</b>		<b>6217.51876</b>	1316.93250

**SUNDRY RECEIVABLES**
**SCHEDULE -26(e)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31.03.06		As at 06.06.05	
1	Sundry Debtors - Trading Account	28.1	<b>9.84355</b>		9.84355	
2	Income accrued and due On Investment	28.210 to 28.240				
	On Other Income	28.250 to 28.290	<b>0.33561</b>		0.06529	9.90884
3	Income accrued but not due	28.3				
4	Amount recoverable from Employees/ Ex-Employees etc.	28.4	<b>175.52954</b>		185.53346	10.55200
5	Fuel Related Receivables and Claims Grade difference of Coal (Net of provision for loss on grade difference) Railway claims for Coal	28.511 & 28.512 28.513 & 28.514	<b>0.00000</b>		0.00000	
	Others	28.531 To 28.560				
6	Other Claims & Receivables	28.700 & 28.800	<b>26132.61566</b>		302.24596	
7	Excess repayment of State Govt. Loans	28.857				
8	Deposits	28.900	<b>394.49109</b>		372.62229	
9	Inter Unit Accounts		<b>0.62790</b>			
	<b>TOTAL</b>		<b>26728.98847</b>		880.86255	

**SECURITY DEPOSITS FROM CONSUMERS**
**SCHEDULE - 27  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 06-06-2005
1	Security Deposits from Consumers (In Cash)	48.100		
2	Security Deposits from Consumers (Other than in Cash)	48.200		
3	Interest payable on Consumers' Deposits	48.300		
	<b>TOTAL</b>		<b>0.00000</b>	0.00000

**OTHER CURRENT LIABILITIES**
**SCHEDULE -28  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-06		As at 06-06-05	
1	Liabilities to Railway for Coal Receipts	40.1				
2	Liabilities on account of Grade Difference of Coal	40.2				
3	Unpaid Coal Bills	40.7				
4	Other Fuel related Liabilities	40.3 to 40.8		<b>0.00000</b>		0.00000
5	Liability for purchase of Power	41.1 to 41.3				
6	Liability for Capital Supplies/Works	42.1 to 42.7		<b>1763.70410</b>		2428.72241
7	Liability for O & M Supplies/Works	43.1 to 43.5		<b>4456.94310</b>		1868.77394
8	Staff related Liabilities & Provisions					
	i) Provision for Gratuity	44.110		<b>20234.00000</b>		19246.43946
	ii) Other Liabilities and Provisions	44.120 to 44.4		<b>126.94080</b>		162.40884
9	Deposits and Retentions from Suppliers and Contractors	46.1	<b>5709.78128</b>		4812.58975	
	Less : (Net of Deposits received in form of Investments etc.)	28.930	<b>342.76685</b>	<b>5367.01443</b>	344.50294	4468.08681
10	Electricity Duty and Other Levies payable to Government	46.3		<b>0.70000</b>		
11	Liability for Expenses	46.4		<b>16769.44569</b>		17958.80444
12	Amount owing to Licensees	46.6				
13	Accrued /Unclaimed amounts relating to Borrowings	46.7		<b>5729.40496</b>		4360.36866
14	Provision for Income Tax/FBT	46.8		<b>2972.00000</b>		
15	Other Liabilities and Provisions	46.9		<b>29614.56517</b>		58.88608
16	Sub Total (1 to 15)			<b>87034.71825</b>		50552.49064
17	Deposits for Electrification, Service Connection etc.	47.1 to 47.8		<b>691.45354</b>		2201.30866
18	<b>TOTAL</b>			<b>87726.17179</b>		52753.79930

**SUBSIDY RECEIVABLE FROM GOVERNMENT****SCHEDULE - 29  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 06-06-2005
1	Capital Subsidy/Grant Receivable	28.610		
2	Revenue Subsidy/Grant Receivable	28.620		
	<b>TOTAL</b>		<b>0.00000</b>	0.00000

**BORROWINGS FOR WORKING CAPITAL****SCHEDULE - 30  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 31-03-2006	As at 06-06-2005
1	Cash Credit from Banks	50.100		
2	Bank Overdrafts	50.200		
3	Temporary Overdrafts from Banks	50.300		
4	Temporary Advances from Governments	50.400		
	<b>TOTAL</b>		<b>0.00000</b>	0.00000

**PAYMENTS DUE ON CAPITAL LIABILITIES**

**SCHEDULE -31 (a)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 06-06-05	Becoming Due During the period 06-06-05 to 31-03-06	Payment made During the period 06-06-05 to 31-03-06	As at 31-03-06		
I	<b>REPAYMENTS DUE</b>							
	1) State Govt. Loans under Sec.64 of Elect.(Supply) Act 1948	51.102	0.00001	3453.38525 5979.83181	3453.38525 5979.83181	0.00001		
	2) Loans from L.I.C.	51.103						
	3) Loans from R.E.C.	51.104						
	4) Public Bonds/Debentures	51.105						
	5) R.E.Debentures	51.106						
	6) Other Debentures	51.107						
	7) Loan from A.R.F.C.	51.109						
	8) Loans from N.A.B.A.R.D.	51.110						
	9) Loans from Commercial Banks for Electrification Schemes	51.111						
	10) Fixed Deposits from Public	51.112						
	11) Loans from I.D.B.I	51.113						
	12) Term Deposits / Loans from M.IDC	51.114						
	13) Participating Commercial banks for S.P.A.Schemes	51.115						
	14) Repayments due-Loans from Central Govt. & others	51.117					2000.00000	2000.00000
	15) Tata Electric Supply Co.	51.120						
	16) Debentures Subscription money pending allotment	51.121						
	17) Financial participation by Consumers Interest bearing	51.124						
	18) Capital Cost Deposits	51.125						
	19) Financial participation by Consumers Interest free	51.126						
	20) Loans from G.I.C. & its Subsidiaries	51.127						
	21) Repayments due-foreignn crency Loan-SBI	51.128						
	22) Loans from H.D.F.C.	51.129						
	23) Loans from P.F.C. Project Loan.	51.130					9816.87889	9816.87889
	24) R/M.Loans from Power Finance Corpn.	51.131						
	25) R/M Scheme Central Govt. Loan	51.132						
	26) Loans from M.S.C. Bank, Ag.Pump Sets	51.133						
	27) On Capital Liabilities U.T.I.	51.134						
	28) On Capital Liabilities P.D.C.Bank	51.135						
	29) C.M es Relief Fund	51.136						
	30) Repayment due on							

**PAYMENTS DUE ON CAPITAL LIABILITIES**

**SCHEDULE -31 (a)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 06-06-05	Becoming Due During the period 06-06-05 to 31-03-06	Payment made During the period 06-06-05 to 31-03-06	As at 31-03-06
	CCF-Canara Bank Loan	51.138				
	31) Repayment Due Foreign Currency Loan					
	i) SEB Sweden	51.141		802.22719	802.22719	
	ii) Credit SUISSE - Switzerland	51.142		963.55107	963.55107	
	iii) KFW Germany	51.143		487.95841	487.95841	
	iv) ANZ Banking group Ltd. London.	51.144				
	32) Private Bond Payment due on capital Liability	51.145				
	33) Foreign Currency syndicate term loan payment due on capital liability	51.146				
	<b>Total Repayments Due ( 1 to 33)</b>		0.00001	<b>23503.83262</b>	<b>23503.83262</b>	<b>0.00001</b>
<b>II</b>	<b>INTEREST ACCRUED AND DUE ON</b>					
	1) Loan from L.I.C.	51.201		1883.00987	1883.00987	
	2) Loan from R.E.C.	51.205		3894.38525	3894.38525	
	3) Loan from S.P.A.	51.206				
	4) Loan from N.A.B.A.R.D.	51.207				
	5) Loan from Public Bonds	51.220		3572.67140	3572.67140	
	6) Private Bond interest accrued and due	51.221				
	7) Loan from R.E.Debentures	51.225				
	8) Loan from Other Debentures	51.230		81.28310	81.28310	
	9) F.C.Loan from S.B.I.	51.232				
	10) Interest accrued and due on IDBI	51.240				
	11) Interest accrued and due on SEB Sweeden	51.241		78.50127	78.50127	
	12) Interest accrued and due on Credit suisse Switzerland	51.242		135.20399	135.20399	
	13) Interest accrued and due on kfw Germany	51.243				
	14) Int.Charges ANZ Banking Group Ltd.London	51.244				
	15) Loan from H.D.F.C.	51.246				
	16) Loan from P.F.C.	51.247		5215.89242	5215.89242	
	17) R.M Loan from P.F.C.	51.248				
	18) Loan from Central Govt.	51.249				
	19) Loan from Govt.	51.250				
	20) Loan from M.S.C.Bank	51.251				
	21) Loan from Unit Trust of India	51.252				
	22) Loan from P.D.C.Bank	51.253				
	23) Loan from C.M.is Relief Fund	51.254				
	24) Term Deposits	51.255				
	25) Int. accrued & due on CCF					0.00000

**PAYMENTS DUE ON CAPITAL LIABILITIES**

**SCHEDULE -31 (a)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 06-06-05	Becoming Due During the period 06-06-05 to 31-03-06	Payment made During the period 06-06-05 to 31-03-06	As at 31-03-06
	Canara Bank	51.256				
	26) Deposit against R.E. Debentures	51.260				
	27) Financial participation by consumers		51.265		0.00000	
	28) Loan from Staff Welfare Fund	51.270				
	29) Loan from Others	51.290		567.84529	567.84529	
	i) M.I.D.C.					
	ii) M.M.R.D.A					
	iii) Mumbai District Central Co-Op. Bank					
	iv) Raigad District Central Co-Op. Bank				0.00000	
	v) Pune District Central Co-Op. Bank					
	vi) Akola District Central Co-Op. Bank					
	vii) Sangli District Central Co-Op. Bank					
	viii) Canara Bank					0.00000
	ix) Bank of India					0.00000
	x) Bank of Maharashtra					
	xi) B.S.E.S.					
	xii) Dena bank					0.00000
	xiii) KEC International					
	xiv) Andhra Bank					0.00000
	xv) United Western Bank					
	xvi) Sindhudurg District Central Co-Op Bank					
	xvii) Chandrapur District Central Co-Op Bank					0.00000
	xviii) Central Bank of India					0.00000
	xix) Punjab National Bank					0.00000
	xx) UCO Bank					0.00000
	xxi) Indian Overseas Bank					0.00000
	xxii) Bank of Baroda					
	xxiii) MIDC - Ranjangoan					
	xxiv) MIDC - Hinjewadi					0.00000
	xxv) MIDC - Mahape					
	xxvi) Indian Bank					0.00000
	xxvii) ICICI Bank					0.00000
	<b>TOTAL INTEREST ACCRUED</b>	51.200	0.00000	15428.79259	15428.79259	0.00000
	<b>TOTAL (I+II)</b>		0.00001	38932.62521	38932.62521	0.00001

**SCHEDULE -31 (b)  
(RS. IN LAKHS)**

Sr. No.	PARTICULARS	Account Code	As at 06-06-05	Becoming Due During the period 06-06-05 to 31-03-06	Payment made During the period 06-06-05 to 31-03-06	As at 31-03-06
1)	Total Interest accrued but not due on Government Loans	46.716				0.00000

**CAPITAL LIABILITIES**

**SCHEDULE-32  
(RS. IN LAKHS.)**

SR NO	Particulars	Details Of Interest Rate Moratorium And Rate Applicable At the end of The Year	Account Code	Outstanding As At 06-06-05	Amount Received During The Period 06-06-05 to 31-03-06	Repayments Due During The Year Period 06-06-05 to 31-03-06	Outstanding As At 31-03-06
1	Private Bonds		52.115				0.00000
2	Public Bonds(Annexure)	7.25% to	52.141 to	50132.00000			50132.00000
		13.50%	52.159				
3	Bond Subscription moneys pending allotment		52.17				
4	R.E.Debentures	13.50%	52.21				
5	Other Debentures		52.27				0.00000
6	Debentures Subscription money pending allotment.(R.E.Debentures Deposits)	13.50%	52.29				
7	Foreign Currency Loan (SBI) (in D.M.)	4.00%	52.311				
8	Foreign Currency Loan SEB-SWEEDEN (in SEK)	6.94%	52.341	3050.76241	94.40017	802.22719	2342.93539
9	Foreign Currency Loan credit Suisse-switzerland (in CHF)	5.50%	52.342	2359.59373		963.55107	1396.04266
10	Foreign Currency Loan Kfw-Germany (in DM)	6.28%	52.343	2365.24847	60.27899	487.95841	1937.56905
11	Foreign Currency Loan Anz Banking Group Ltd-London.(in USD)	7.38%	52.34				
12	Loans from LIC	7.25% to 14.00%	52.5	26752.27167		3453.38525	23298.88642
13	Loan from A.R. F. C		53.1				
14	Loan from REC	13.00% to 15.00%	53.3	31869.09955	10391.21700	5979.83181	36280.48474
15	Loans from participating Commercial Banks for SPA Schemes	15.00%	53.31				
16	Loans from NABARD	14%	53.4				
17	Financial Participation by Consumers (Interest Bearing)	12.50% to 14.00%	53.610				0.00000
18	Refundable Capital Cost Deposits	5.00% to 10.25%	53.611				0.00000

**CAPITAL LIABILITIES**

**SCHEDULE-32  
(RS. IN LAKHS.)**

SR NO	Particulars	Details Of Interest Rate Moratorium And Rate Applicable At the end of The Year	Account Code	Outstanding As At 06-06-05	Amount Received During The Period 06-06-05 to 31-03-06	Repayments Due During The Year Period 06-06-05 to 31-03-06	Outstanding As At 31-03-06
19	Deposits collected to be refunded after eight years (without interest)		53.612				0.00000
20	Financial Participation by consumers (Interst Free)		53.620				0.00000
21	Interest free Loan from MIDC for Elec.Work		53.621				0.00000
	Sub total (1 TO 21)			116528.97583	10545.89616	11686.95373	115387.91826
	<b>LOAN FROM OTHERS</b>						
22	Loans from Staff Welfare Funds A/c		53.700				0.00000
23	Loans from Others I.D.B.I. (Under rediscounting scheme) Less:- Interest	20.52%	53.701				0.00000
	<b>NET</b>			0.00000	0.00000	0.00000	0.00000
	<b>LOANS FROM OTHERS</b>						
24	Term Deposits	6.00% to 10.00%	53.703				
25	Loans from Others						
	1) Mumbai DCC.Bank	15%	53.704	2411.63573		2000.00000	411.63573
	2) Raigad DCC.Bank	12.50%	53.704				0.00000
	3) Akola DCC.Bank	17%	53.704				
	4) M.I.D.C.	14.25%	53.704				
	5) Sangli DCC.Bank	17%	53.704				
	6) B.S.E.S	16%	53.704				
	7) M.M.R.D	15%	53.704				
	8) Canara Bank	9.50%	53.704				0.00000
	9) Bank of India	8.75%	53.704				0.00000
	10) Bank of Maharashtra	14.79%	53.704				0.00000
	11) Dena Bank	8.75% & 6.25%	53.704				0.00000
	12) United Western Bank	13.50%	53.704				0.00000
	13) Andhra Bank	10.00%	53.704				0.00000



**CAPITAL LIABILITIES**

**SCHEDULE-32  
(RS. IN LAKHS.)**

SR NO	Particulars	Details Of Interest Rate Moratorium And Rate Applicable At the end of The Year	Account Code	Outstanding As At 06-06-05	Amount Received During The Period 06-06-05 to 31-03-06	Repayments Due During The Year Period 06-06-05 to 31-03-06	Outstanding As At 31-03-06
14)	KEC International	16.00%	53.704				0.00000
15)	Chandrapur DCC Bank	12.50%	53.704				0.00000
16)	Sindhudurg DCC Bank	14.50%	53.704				0.00000
17)	Central Bank of India	10.25%	53.704				0.00000
18)	Punjab National Bank	8.75%	53.704				0.00000
19)	UCO Bank	10.25% & 6.25%	53.704				0.00000
20)	MIDC - MAHAPE	14.25%	53.704				0.00000
21)	INDIAN OVERSES BANK	9.00%	53.704				0.00000
22)	BANK OF BARODA	8.75%	53.704				0.00000
23)	MIDC Ranjangoan	14.25%	53.704				0.00000
24)	MIDC Hinjewadi	14.25%	53.704				0.00000
25)	Indian Bank	6.2% to 8%	53.704				0.00000
26)	ICICI Bank	6.60%	53.704				0.00000
26	Loan from M/s Tata Electric Supply Co.	6.00%	53.705				
27	Loans from Others						
	GIC and its Subsidiaries Cos.	14.44%	53.706				
	Sainik Welfare Board		53.706				
28	Loans from H.D.F.C.	17.00%	53.707				0.00000
29	Power Finance Corpn. (Project)	16% to 17%	53.708	86012.99292	2364.84596	9816.87889	78560.95999
30	Power Finance Corpn. (R. & M.)	16% to 17%	53.709				0.00000
31	Central Govt. Loan (R. & M.)	10.25%	53.710				0.00000
32	Loans from M. S. C. Bank	16.00%	53.711				
33	Loans from Unit Trust of India	17.00%	53.712				
34	Loans from P.D.C. Bank	15.00%	53.713				
35	Loans from CMIs Relief Fund		53.714				
36	Loans from C.C.F.Canara Bank	14.50%	53.716				
	<b>SUB - TOTAL</b>			88424.62865	2364.84596	11816.87889	78972.59572
	<b>TOTAL</b>			204953.60448	12910.74212	23503.83262	194360.51398

**PUBLIC BONDS**

**ANNEXURE TO SCHEDULE-32  
(RS. IN LAKHS.)**

Outstanding at the Beginning of the Previous Period	Amount Received During the Previous Period	Repayments Due During the Previous Period	Sr. No.	Particulars	Rate of Interest	Account Code	Outstanding at the end of the Previous Period	Amount Received During the Period	Repayments Due During the Period	Outstanding at the end of the Period
From 1-4-05 To 05-06-05	From 1-4-05 To 05-06-05	From 1-4-05 To 05-06-05					From 1-4-05 To 05-06-05	From 06-06-05 To 31-03-06	From 06-06-05 To 05-06-05	From 06-06-05 To 31-03-06
8759.00000			1	M.S.E.B. Bonds 2008(20 years)	11.50%	52.150	8759.00000			8759.00000
247.00000			2	M.S.E.B. Bonds 2009(20 years)	11.50%	52.151	247.00000			247.00000
84.00000			3	M.S.E.B. Bonds 2009(I)(20 years)	11.50%	52.152	84.00000			84.00000
10799.00000			4	M.S.E.B. Bonds 2009(II)(20 years)	11.50%	52.153	10799.00000			10799.00000
425.00000			5	M.S.E.B. Bonds 2010(I)(20 years)	11.50%	52.154	425.00000			425.00000
125.00000			6	M.S.E.B. Bonds 2010(II)(20 years)	11.50%	52.155	125.00000			125.00000
9311.00000			7	M.S.E.B. Bonds 2010(III)(20 years)	11.50%	52.156	9311.00000			9311.00000
10242.00000			8	M.S.E.B. Bonds 2011(20 years)	12.00%	52.157	10242.00000			10242.00000
10140.00000			9	M.S.E.B. Bonds 2007(15 years)	13.00%	52.158	10140.00000			10140.00000
<b>50132.00000</b>	<b>0.00000</b>	<b>0.00000</b>		<b>TOTAL</b>			<b>50132.00000</b>			<b>50132.00000</b>

**FUNDS FROM STATE GOVERNMENT**

**SCHEDULE-33  
(RS. IN LAKHS)**

Sr. No.	Particulars	Details of Interest Rate, Moratorium and Rate applicable at the end of the year	Account Code	Outstanding as at 06-06-05	Amount Received During the Period 06-06-05 to 31-03-06	Repayments Due During the Period 06-06-05 to 31-03-06	Outstanding as at 31-03-06
	<b>State Govt. Loans under Section 64 of the the Electricity (Supply) Act 1948</b>		54.2				
1	Consolidated Loans as on 1.4.1961	4.90% (Not repayable)					0.00000
2	Loan for R.E.Schemes Upto 31.3.77	6.00%					
	From 1.4.77 to 31.3.85	6.25%					
	From 1.4.85	9.00%					
	From 1.4.90	11.75%					
	From 1.4.94	11.75%					
3	(Perpetual Loan) Loans from Major Gen.& Transmission Schemes Upto 31.3.77	5.51%					0.00000
	From 1.4.77 to 31.3.85	6.25%					
	From 1.4.85	9.00%					
	From 1.4.90	11.75%					
	From 1.6.95	14.25%					
4	(See note below) Loan for Tarapur Power Supply	(see Note below) 6.75% (Repayable in 20 Years)					0.00000
5	Loan for D.P.C. Equity	12.00% 10 Years					0.00000 0.00000 0.00000
6	Other Loans						0.00000
7	Amount received from State Government under guarantee		54.4				0.00000
				0.00000	0.00000	0.00000	0.00000

**EQUITY CAPITAL**

**SCHEDULE-33 (a)  
(RS. IN LAKHS)**

Sr. No.	Particulars	Details of Interest Rate, Moratorium and Rate applicable at the end of the year	Account Code	Outstanding as at 05-06-2005	Amount Received During the Period 06-06-05 to 31-03-06	Repayments Due the During Period 06-06-05 to 31-03-06	Outstanding as at 31-03-2006
1	Equity capital under section 66(A) of Electricity (Supply) Act 1948		54.510		5.00000		5.00000
2	Share Suspense Account * (Pending allotment)			269599.20455			269599.20455
	<b>Total</b>			269599.20455	5.00000	0.00000	269604.20455

\*This represents shares to be issued to MSEB Holding Co. Ltd. as a part of Purchase Consideration as a result of demerger

**CONTRIBUTION, GRANTS AND SUBSIDIES TOWARDS COST OF CAPITAL ASSETS**

**SCHEDULE - 34  
(RS. IN LAKHS)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Account Code</b>	<b>As at 06-06-05 Period 06-06-05 to 31-03-06</b>	<b>Additions during the</b>	<b>As at 31-03-06</b>
1)	Consumers' Contribution towards cost of Capital Assets (CRA)(Service Connection)	55.100	0.00000	<b>336.51095</b>	<b>336.51095</b>
2)	Consumers' Contribution towards cost of Capital Assets (CRB)	55.101	0.00000	<b>0.00000</b>	<b>0.00000</b>
3)	Consumers' Contribution towards cost of Capital Assets (Outright Contribution)				
	i) For L.T. Consumers	55.102	0.00000	<b>0.00000</b>	<b>0.00000</b>
	ii) For H.T. Consumers	55.103	0.00000	<b>2490.84456</b>	<b>2490.84456</b>
4)	Consumers' Contribution towards cost of Capital Assets (TESCO)	55.105			<b>0.00000</b>
5)	Consumers Contribution towards cost of Pole under Krishisanjavini	55.106			<b>0.00000</b>
6)	<b>Total Consumers' Contribution</b>		<b>0.00000</b>	<b>2827.35551</b>	<b>2827.35551</b>
7)	Subsidies towards cost of Capital Assets	55.200			<b>0.00000</b>
8)	Grants towards cost of Capital Assets	55.300	0.00000		<b>0.00000</b>
	<b>TOTAL</b>		<b>0.00000</b>	<b>2827.35551</b>	<b>2827.35551</b>

## RESERVES AND RESERVE FUNDS

SCHEDULE - 35  
(RS. IN LAKHS)

Sr. No.	PARTICULARS	Account Code	As at 06-06-05	Additions During the Period 06-06-05 to 31-03-06	Deductions During the period 06-06-05 to 31-03-06	As at 31-03-06
1	2	3	4	5	6	7
	<b>RESERVES</b>					
1	General Reserve	56.100				
2	Capital Reserve	56.200	0.00000		0.00000	0.00000
3	Investment Allowance Reserve	56.410				
4	Investment Allowance Reserve (Utilised)	56.450				
5	Sinking Fund for Repayment of Borrowings	56.300				0.00000
6	Sinking Fund for Repayment of Govt.Loans	56.301				
7	Tariff Reserve	56.500				
8	Reserve for Materials Cost Variance	56.610				0.00000
9	Exchange Variance Reserve	56.620	0.00000			0.00000
10	Contingent Reserve	56.630				0.00000
11	Consumers' Rebate Reserve	56.640				0.00000
12	Statutory Reserve	56.650				0.00000
13	Property Insurance Reserve	56.660				
14	Tariff and Dividend Control Reserve	56.670				0.00000
15	Development Rebate	56.680				0.00000
16	Development Fund	56.690				0.00000
	<b>TOTAL RESERVES</b>		0.00000	<b>0.00000</b>	<b>0.00000</b>	<b>0.00000</b>
	<b>RESERVE FUNDS</b>					
1	Gratuity Fund	57.130				
2	C.P.Fund	-				
3	Staff Pension Fund	57.140				
4	Staff Welfare Fund	57.150		<b>16.63836</b>	<b>16.63836</b>	
5	Staff Benevolent Fund	57.153				
	<b>TOTAL RESERVE FUNDS</b>		0.00000	<b>16.63836</b>	<b>16.63836</b>	<b>0.00000</b>
	<b>TOTAL</b>		0.00000	<b>16.63836</b>	<b>16.63836</b>	<b>0.00000</b>

Statement on compliance with the Section 185 (2)(d) of the Electricity Act. 2003.

The MSETCL has maintained its accounts and complied its Annual Statement of Accounts in accordance with the Section 185 (2)(d) of the Electricity Act. 2003.

The following departures from the Basic Accounting principles and Accounting Policies (as permitted under the Rules) have been made for the reasons stated there against.

**(a) Capitalisation of the Expenditure of Construction-cum O&M Units.**

As per Rule 2.10 of Annexure III-Basic Accounting Principles and Policies of the Rules, the employee costs excluding terminal benefits, bonus and ex-gratia of the staff who are deployed exclusively or largely on capital schemes only will be capitalised and the rest of the staff costs would be charged to revenue. No part of the general establishment charges of the offices looking after both Const.O&M actually would however be capitalised.

Further as per Rules 2.9 of Annexure III, the procedure laid down by the Electricity (Supply)(Annual Accounts) Rules 1985, the employee costs of purely construction units could only be capitalised which was done hither to before also. However, it is difficult to identify whether the common staff looking after both the Const. and O & M activity is largely deployed in Capital Works etc. and in the absence of such identification, these costs would have to be charged to revenue. Rightly, some share of the common staff costs is chargeable to capital expenditure. Similarly, some portion of the general establishment charges such as telephone, stationery, rent, taxes, vehicle expenditure etc. also is rightly allocable to capital expenditure. Consequently, if the procedure as per the electricity (Supply)(Annual Accounts) Rules 1985 is followed, a large portion of Const.Cum O & M Division and Sub-Divisional expenditure (Employee Costs and General Estt. Charges) including Civil Const.Cum Maint. Division would now be required to be charged to revenue.

In the case of H.O. which is also a supervisory office looking after both the Const. and O & M activity, we have been allocating the expenditure between capital and revenue on pre-set percentage basis. Perhaps the employee costs of the staff deployed exclusively or largely on capital jobs as prescribed in the rules may mean that this is pertaining to only the direct employee costs and the rules presumably do not apply to the supervisory offices staff costs. MSETCL has therefore continued existing procedure of capitalisation of portion of employee costs as well as general estt. charges of the units supervising both capital and O & M works on the existing basis i.e. based on the predetermined percentages.

**(b) Material Accounting**

As per the Schedule 21 of the Electricity (Supply) (Annual Accounts) Rules 1985, all advances to suppliers/contractors whether covered under direct debit procedure or not would be grouped with the capital expenditure in progress.

The Material received in stores under direct debit procedure is now required to be exhibited as "Current Assets" under stock, capital stores. The material at site for materials covered under both Direct Debit procedure as well as other than Direct Debit procedure would now be required to be exhibited under "Current Assets" as material at site as a part of stock account.

The exhibition of the capital expenditure, capital stock and material at site account explained above would lead to anomalous exhibition of "Capital Expenditure in Progress" but when the material is received

there against, the capital expenditure in progress gets reduced as the same would be covered under current assets "Stock of Materials". Similarly, the material at site which is a part and parcel of capital expenditure in progress will not be exhibited as such but would be covered under Current Assets "Stock of materials."

To avoid incorrect exhibition as explained above, the MSETCL has continued to follow the existing procedure about exhibition of the "Capital expenditure in Progress". The same will include the stock of material received under Direct Debit to works, procedure as well as materials at site (Capital).

**(c) Freight in F.O.R. Destination Purchases.**

"According to para 2.20 (6) to Annexure V to Electricity (Supply) (Annual Accounts) Rules 1985, freight on materials purchased (whether incurred and billed by the supplier or incurred by the MSETCL) shall not be treated as materials cost and shall be recorded in a separate account provided for this purpose.

The MSETCL has, however, been placing orders on F.O.R. destination basis including cost, freight, insurance, duties and taxes etc. The element of freight included in F.O.R. destination price of materials is inseparable part of cost of materials and percentage of freight, insurance and packing forwarding charges indicated in the A.T.S. is only estimated and the same is indicated in the orders in order to avoid payment of Excise Duty on freight, insurance etc. Further the accounting of freight included in F.O.R. cost of material as cost of materials will only give true and fair view of the MSETCL and of true surplus/deficit of the MSETCL. The MSETCL has therefore continued the existing procedure of accounting freight included in F.O.R. destination price as cost of materials.

**(d) Accounting of Losses in the Year of its Approval.**

According to Para 2.125 to Annexure III to Electricity (Supply) (Annual Accounts), Rules 1985, loss on account of fire, cyclone, flood, etc. shall be treated as loss for the year in which the loss was incurred.

However the MSETCL is persistently following the procedure of booking the loss on account of flood, fire cyclone, etc. in the year in which the said loss is approved for write off. This is because before submitting the case for write off, necessary investigations and scrutiny along with the reasons, amount of loss etc. is required to be done and then only the amount of loss to be written off can be correctly arrived at. By the time investigation and scrutiny is complete, the Accounts for the year during which loss occurred are closed. Further accounting of loss in the year in which the same is approved for write off after detailed investigation will correctly reveal the surplus/deficit of the MSETCL. The same also holds good for losses on account of shortages vide Rule 2.20(12) to Annexure V ibid. As such the MSETCL has continued its practice of booking the loss in the year in which the same is approved for write off.

**(e) Earned leave encashment , Leave encashment & Leave Travel Assistance**

According to Para 1.11 to Annexure III to Electricity (Supply) (Annual Accounts) Rules, 1985, the cash basis of accounting shall not be adopted by the MSETCL except in the specific cases where cash basis is prescribed in the rules.

However, since the Earned Leave encashment , Leave encashment & Leave Travel Assistance provision could not be quantified at the end of the year, it is accounted for on cash basis in the books of accounts of every year.

## NOTES TO BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2006

1. The Opening Balance Sheet of MSETCL as on 6<sup>th</sup> June 2005 has been approved by the MSEB Holding Company Ltd in its meeting held on 26<sup>th</sup> September 2006. The approved Final Transfer Scheme is yet to be notified by the Government of Maharashtra.
2. MSETCL has been incorporated under the Companies Act , 1956 on 31<sup>st</sup> May , 2005. However as per clause (2)(d) of the Maharashtra Electricity Reforms Transfer Scheme, 2005 of the Government of Maharashtra notified on 4<sup>th</sup> June 2005 the `Date of Transfer` is the respective date notified by Government of Maharashtra for effecting transfer of properties, interest, rights and liabilities , proceedings or personal as the case may be to the relevant Transferee . As per clause 5(3) the said transfer scheme , the functions , business and undertakings forming part of MSETCL shall stand transferred to and vest in MSETCL on and from 6<sup>th</sup> June 2005. The Accounts have therefore been complied from 6<sup>th</sup> June 2005.
3. Fees for the Financial Year 2005-06 includes the following

**To Statutory Auditor**

Audit Fee	Rs. 6,00,000/-
Out of Pocket Expenses	Rs. 2,00,000/-
Service Tax	Rs. 73,200/-
	<b>Total (A) Rs. 8,73,200/-</b>

**To Others**

Tax Audit Fee	Rs. 30,000/-
Service Tax	Rs. 3,660/-
Cost Audit Fee (inclusive of service tax and out of pocket expenses)	Rs. 3,75,000/-
	<b>Total (B) Rs. 4,08,660/-</b>
	<b>Total (A + B) Rs. 12,81,860/-</b>

4. Earnings Per Share

**The elements considered for calculation of Earning Per Share (Basic) are as under :**

	For the period 06-06-05 to 31-03-06
Net Profit after tax used as numerator (Rs in lakhs)	30811.77968/-
Weighted average number of equity shares used as denominator	50,000/-
Earning per share - Basic (Rs)	61,624/-
Face value per share (Rs)	10/-

**The elements considered for calculation of Earning Per Share (Diluted) are as under :**

	For the period 06-06-05 to 31-03-06
Net Profit after tax used as numerator (Rs in lakhs)	30811.77968/-
Weighted average number of equity shares used as denominator	2,69,60,42,045/-
Earning per share ñ Diluted (Rs)	1.14/-
Face value per share (Rs)	10/-



**NOTES TO ACCOUNTS****STATEMENT - 5**

From 06-06-05

To 31-03-06

Rs.

1. Commitments for Capital Expenditure :	NIL
Contracts placed but not executed and not provided for	
Works Authorised but not contracted	
<b>Total</b>	Nil
2 Aggregate amount of Capital Liabilities falling due for Repayment /	
Redemption next year (*Except IDBI Loan and other Loans)	Nil

**2. Lien etc. on MSETCL's Assets.**

The MSETCL obtained loan Rs. Nil from Life Insurance Corporation of India during the period 06-06-2005 to 31-03-2006 bringing the total loan against mortgage of Fixed Assets to Rs. 221.60 crores. The value of Fixed Assets so mortgaged stood at Rs.520.96 crores as on 31.03.2006.

**3. Accumulated losses and unabsorbed Depreciation and Investment Allowance as received from erstwhile MSEB as a share in demerger as at the Assessment year 2005-2006 in the Income Tax proceedings.**

Accumulated Losses	Rs.	308,90,02,143
Unabsorbed Depreciation	Rs.	1141,12,43,213
<b>Total</b>	<b>Rs.</b>	<b>1450,02,45,355</b>

Above figures are subject to final assessment by Income Tax Department of erstwhile MSEB

**4. Classification of Expenditure:**

“All expenses are reflected in Revenue account under natural heads. Accordingly expenses shown under Repairs and Maintenance do not include any employee costs, depreciation, administration and general expenses and interest and finance charges which are disclosed separately”.

**5. Total Energy (in Million Units)**

---

Total Energy Transmitted (in Million Units)(Net)	<b>55760.943</b>
--	------------------

---

**6. Purchase,issues and Stock of Materials**

(Value recorded in Account heads 22.2.to 22.6 disclosed here)

---

PARTICULARS	ACCOUNT CODE	From 06-06-05 To 31-03-06	
		RS.	RS.
<b>A. Opening Stock</b>			
Capital	22.60 & 22.61	<b>203633612</b>	
O&M	22.62 & 22.63	<b>176335878</b>	
	TOTAL		<b>379969490</b>
<b>B. Purchases</b>			
Capital	22.20 & 22.21	<b>18119680</b>	
O&M	22.22 & 22.23	<b>987150774</b>	
	TOTAL		<b>1005270454</b>
<b>C. Opening Stock + Purchase (A+B)</b>			<b>1385239944</b>
<b>D. Issue for Consumption</b>			
Capital	22.30 & 22.31	<b>21860892</b>	
O&M	22.32 & 22.33	<b>665015322</b>	
	TOTAL		<b>686876214</b>
<b>E. Issue to contractor</b>			
Issues	22.34 & 22.35	<b>464695</b>	
Returns	22.36 & 22.37		
	TOTAL		<b>464695</b>
<b>F. Total Issues (D+E)</b>			<b>687340909</b>
<b>G. Closing Stock</b>			
Capital	22.60 & 22.61	<b>199427705</b>	
O&M	22.62 & 22.63	<b>498471330</b>	
	TOTAL		<b>697899035</b>

---

**FUNCTIONWISE BREAK-UP OF REVENUE AND EXPENDITURE FOR THE PERIOD  
FROM 06-06-05 TO 31-03-06**

**STATEMENT - 6  
(RS IN LAKHS)**

Sr. No.	PARTICULAR	Transmission 66 KV & above	Consumers Servicing	Civil Maintenance	Stores	Administration & Management	GRAND TOTAL
<b>REVENUE</b>							
1	Revenue from Transmission Charges	5.16736	0.00000	0.00000	0.00000	118237.09300	118242.26036
2	Revenue Subsidies & Grants					0.00000	0.00000
3	Other Income	193.97024	3.47396	14.25274	31.11673	684.73752	927.55119
	<b>TOTAL INCOME</b>	<b>199.13760</b>	<b>3.47396</b>	<b>14.25274</b>	<b>31.11673</b>	<b>118921.83052</b>	<b>119169.81155</b>
<b>EXPENSES</b>							
1	Repairs & Maintenance	6093.64975	0.00000	341.74603	0.98755	342.71189	6779.09522
2	Employee Costs	18939.20818	0.00000	1676.25427	180.49728	5098.37153	25894.33126
3	Administration & General Expenses	2331.17630	0.00000	70.86110	68.30602	617.93161	3088.27503
4	Depreciation & Related Debit	38733.08420	0.00000	58.45484	14.33467	65.94472	38871.81843
5	Interest & Finance Charges	9.86887	0.00000	1.31531	0.16432	18843.80056	18855.14906
6	Other Debits	-2.25285	0.00000	0.00027	2.87065	308.37241	308.99048
7	Extra Ordinary items	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8	Net Prior Period Cr./Dr.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9	Provision for Income Tax	0.00000	0.00000	0.00000	0.00000	2972.00000	2972.00000
	<b>TOTAL OF (1 TO 9)</b>	<b>66104.73445</b>	<b>0.00000</b>	<b>2148.63182</b>	<b>267.16049</b>	<b>28249.13272</b>	<b>96769.65948</b>
<b>LESS</b>							
10	Expenses Capitalised	4608.10473	0.00000	66.85176	0.00000	1581.56307	6256.51956
11	Expenses reallocated					2155.29670	2155.29670
12	Interest Capitalised						
	<b>TOTAL OF 10 TO 12</b>	<b>4608.10473</b>	<b>0.00000</b>	<b>66.85176</b>	<b>0.00000</b>	<b>3736.85977</b>	<b>8411.81626</b>
	<b>Surplus / (Deficit)</b>	<b>-61297.49212</b>	<b>3.47396</b>	<b>-2067.52732</b>	<b>-236.04376</b>	<b>94409.55757</b>	<b>30811.96833</b>

**SOURCES AND USES OF FUNDS**

**STATEMENT-7  
(RS.IN LAKHS)**

Particulars	From 06-06-05 to 31-03-06
<b>FUNDS PROVIDED BY</b>	
Profit before Tax(excluding Revenue Subsidies & Grants)	33783.78
Less : Tax payments during the year	4179.21
	29604.57
Add: Debits to Revenue Account not requiring Cash Outlay Depreciation.	38871.56
Amortisation of Deferred Costs	864.88
Amortisation of Intangible Assets	10.11
	39746.56
Less : Credits to Revenue Account not involving Cash Receipt	0.00
	0.00
<b>Net Funds from Earnings</b>	69351.12
Add: Receipts of Revenue Subsidies & Grants	0.00
Contributions,Grants & Subsidies towards cost of Capital Assets	2827.36
Proceeds from disposal of Fixed Assets	
<b>FUNDS FROM OPERATIONS (A)</b>	<b>72178.48</b>
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>	
Stock	4180.94
Receivables against Transmission Charges	26457.16
Loans & Advances	721.18
Sundry Receivables	20983.13
Subsidy Receivable from Govt.	0.00
Sub- Total	52342.41
Less:-	
Security Deposit from Consumers	0.00
Current & Accrued Liabilities	31999.73
Sub Total	31999.73
<b>Net Increase / (Decrease) in Working Capital</b>	<b>20342.68</b>
Add:-	
Increase / (Decrease) in Cash & Bank Balances	284.53
Less:-	
Increase / (Decrease) in Borrowing for Working Capital	0.00

<b>Funds Utilised/(Provided from) on Working Capital (B)</b>	<b>20627.21</b>
<b>Net Funds from Operations (C) = (A)-(B)</b>	<b>51551.27</b>
<b>FUNDS UTILISED ON CAPITAL EXPENDITURE</b>	
Fixed Assets including	
Capital Work-in-Progress	<b>40521.15</b>
Intangible Assets	<b>0.00</b>
Assets not in Use	<b>53.40</b>
Deferred Costs	<b>388.63</b>
<b>Total Capital Expenditure (D)</b>	<b>40963.18</b>
<b>Shortfall in Capital Funds met from External Sources (E) = (D)-(C)</b>	<b>-10588.09</b>
<b>Net Increase / (Decrease) in Capital Liabilities</b>	
Fresh Borrowings	
State Loans	<b>0.00</b>
Foreign Currency	
Loans/Credits	<b>154.68</b>
Other Borrowings	<b>12756.06</b>
	<b>12910.74</b>
Less :	
Repayments State Loans	<b>0.00</b>
Foreign Currency Loans/Credit	<b>2253.74</b>
Other Borrowings	<b>21250.10</b>
	<b>23503.83</b>
<b>Net Increase / (Decrease) in Capital Liabilities</b>	<b>-10593.09</b>
Add:-	
Increase/(Decrease) in "Payments due on Capital Liabilities"	<b>0.00</b>
Increase in Equity Capital	<b>5.00</b>
Increase/(Decrease) in Reserves and Reserve Funds	<b>0.00</b>
<b>Net Increase/(Decrease) in Capital Liabilities</b>	<b>-10588.09</b>
Add: Net (Increase)/Decrease in investments	<b>0.00</b>
<b>Net Capital Funds from External Sources (F) = (E)</b>	<b>-10588.09</b>
Net Funds from Operations as a percentage of Total Capital Expenditure (C) / (D)	<b>125.85%</b>

**STATEMENT OF CAPITAL BASE AND SURPLUS**  
(Under Section 59 of the Electricity (Supply) Act 1948)

**STATEMENT-8**  
**(RS.IN LAKHS)**

Sr. No.	PARTICULARS	Shedule	As at 31-03-2006
1	Original cost of Fixed Assets	19	868295
2	Less: Accumulated Depreciation	19	432429
3	Net Block (1-2)		435866
4	Consumers' Contribution	34	0
5	Capital Base (3-4)		435866
6	Surplus (Under Section -59)		13162
7	Surplus as % of Capital Base (Under Section-59)		3.69%
8	Actual Surplus		30812
9	Actual Surplus as % of Capital Base		7.07%

**STATEMENT OF TECHNICAL PARTICULARS**

**STATEMENT-9**

Sr. No.	Particular	From 06-06-05 to 31-03-06
1	Installed Generating Capacity (in MW) at the year end.	} <b>N.A.</b>
	Hydel	
	Thermal	
	Gas	
	<b>Total</b>	<b>0.000</b>
2	Normal Maximum Demand on the System(in MW)	} <b>N.A.</b>
	(a) Restricted	
3	(b) Unrestricted	
3	Plant Capacity available at the time maximum system demand was met (as a % of Declared Net Capacity of generating stations.)	
4	Plant Load Factor( Thermal)	
5	Generation(in Million KWH)	} <b>0.000</b>
	Hydel	
	Thermal	
	Gas	
	<b>Total</b>	<b>0.000</b>
6	Auxiliary Consumption (in Million KWH)	} <b>N.A.</b>
7	Power Purchased (in Million KWH)Sources	
	1. Tatas	
	2. Tarapur	
	3. M/s.RCF & ONGC	
	4. NTPC	
	5. Kakrapar	
	6. Co-Generation	
	7. Wind Generation	
	8. B.H.E.P (Dodson)	
	9. Energy (Hydro/ CPP/Wind) wheeled in system	
	10. Others	
	<b>Total</b>	<b>0.000</b>
8	Power available for Sale (in Million KWH) (5-6+7)	<b>55760.943</b>
9	Energy Wheeled (in Million KWH) (Net)	
10	Transmission & Distribution Losses (in Million KWH) (8-9)	} <b>N.A.</b>
	As a % of total power available for sale	
11	a) Fuel Consumption	
	Coal (Th.M.T.)	
	Oil(K.L.)	
	Gas(Million SMC)	
	* Subject to reconciliation	
	b) Average Calorific Value per Kg. of Fuel consumed (in K.Cal/Kg.)	
	Coal (Weighted average)	
	L.D.O	
	F.O.	
	L.S.H.S	
	H.S.D	
	GAS	
	c) Consumption per Unit of Generation	
	Coal(Kg/KWH)	
	Oil (ML/KWH)	
	Gas (SMC/KWH)	

**STATEMENT OF TECHNICAL PARTICULARS**

**STATEMENT-9**

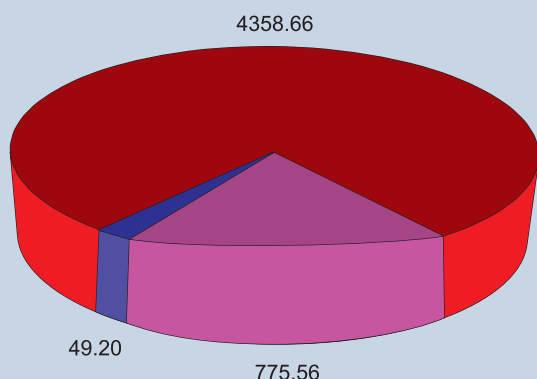
Sr. No.	Particular	From 06-06-05 to 31-03-06	
Sr. No.	PARTICULARS	THIS PERIOD 06-06-05 TO 31-03-06	
		No.of Consumers	Connected load in MW
12	Sale of Power(Consumer Category)		
	i) Domestic	} N.A.	
	ii) Commercial		
	iii) Public Lighting		
	iv) Irrigation and Watering		
	v) Public Water Works		
	vi) Industrial (LT/HT) (Power -Intensive Special)		
	vii) Railway Traction (Non-Traction)		
	viii) Bulk Supply (Licensees)		
	ix) Outside Supplies		
	x) Miscellaneous (Military)		
	<b>TOTAL</b>	<b>0</b>	<b>0</b>



**CASH FLOW STATEMENT FOR THE PERIOD 06.06.2005 TO 31.3.2006**


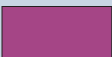
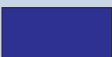
<b>Particulars</b>		<b>Rs. In Lakhs</b>
<b>A. <u>Cash flow from Operating activities</u></b>		
Net profit before Taxation and Extra Ordinary Items		<b>33783.78</b>
<u>Adjustments</u>		
Depreciation	38871.56	
Amortisation of Deferred Costs / Intangible Assets	874.99	
Income from interest on investments	(11.07)	
Interest and Finance Charges	18855.15	
Operating Profit before working capital changes	<u>58590.64</u>	
Increase in Current Assets	(52342.60)	
Increase In Current Liabilities	31999.73	
Cash Generated from Operations	38247.77	
<u>Less : Taxes paid during the year</u>	<u>(4179.21)</u>	
		<b>34068.56</b>
Net Cash from Operating Activities.(Total A)		<b>67852.34</b>
<b>B. <u>Cash Flows from Investing activities</u></b>		
Consumers Contributions towards cost of Capital Assets	2827.36	
Capital Expenditure during the period	(40963.19)	
Income from interest on investments	11.07	
Net Cash from Investing Activities.(Total B)		<b>(38124.76)</b>
<b>C. <u>Cash flows from financing activities</u></b>		
Equity Share Capital	5.00	
Loans (refund)	(10593.09)	
Interest and finance charges	(18855.15)	
Net Cash from Financing Activities.(Total C)		<b>(29443.24)</b>
<b>Net increase in Cash and Cash Equivalents. (Total A+B+C)</b>		<b>284.33</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>		<b>717.00</b>
<b>Cash and Cash Equivalents at the end of the period</b>		<b>1001.33</b>

# BALANCE SHEET AS ON 31-03-2006



## TOTAL ASSETS


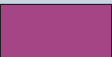
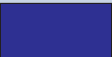


(RS. IN CRORES)

	NET FIXED ASSETS	4,358.66
	CAPITAL EXPENDITURE IN PROGRESS	775.56
	OTHER ASSETS (INCLUDING INVESTMENTS ETC.)	49.20

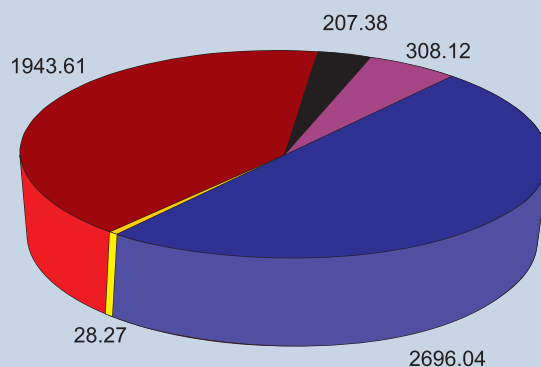
<b>TOTAL ASSETS</b>	<b>5,183.42</b>
---------------------	-----------------

## FINANCED BY

(RS. IN CRORES)

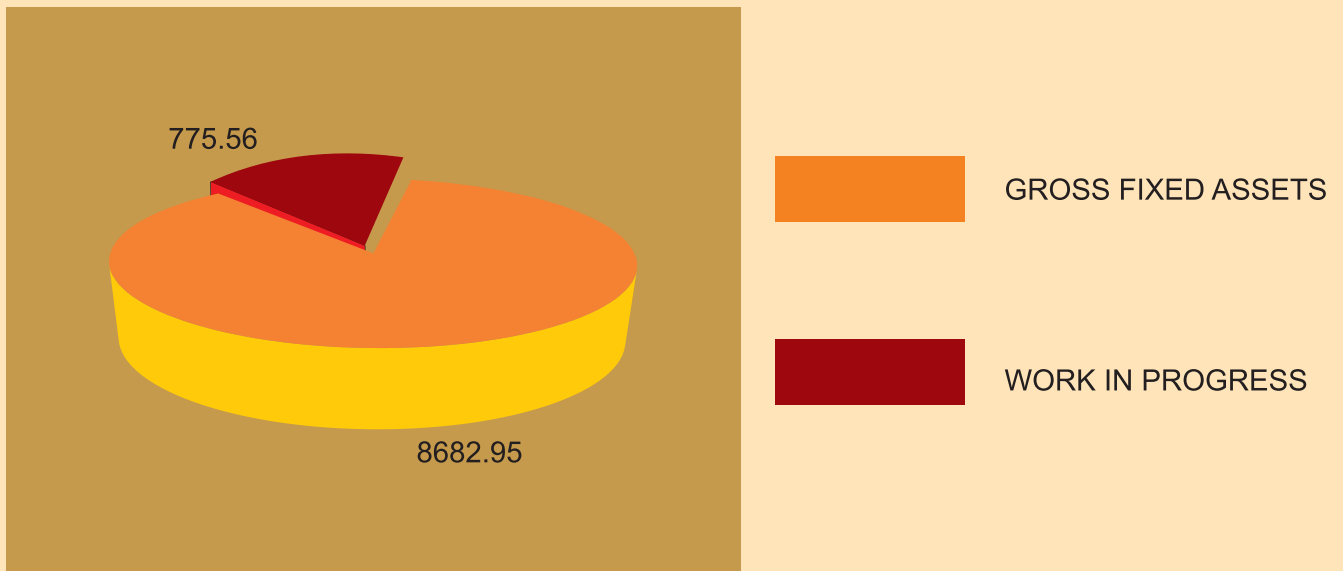
	NET CURRENT ASSETS	207.38
	SURPLUS	308.12
	EQUITY CAPITAL	2,696.04
	CONTRIBUTIONS, GRANTS & SUBSIDY TOWARDS COST OF CAPITAL ASSETS	28.27
	CAPITAL LIABILITIES (INCLUDING PAYMENTS DUE ON CAPITAL LIABILITIES)	1,943.61

<b>TOTAL FUNDS</b>	<b>5,183.42</b>
--------------------	-----------------



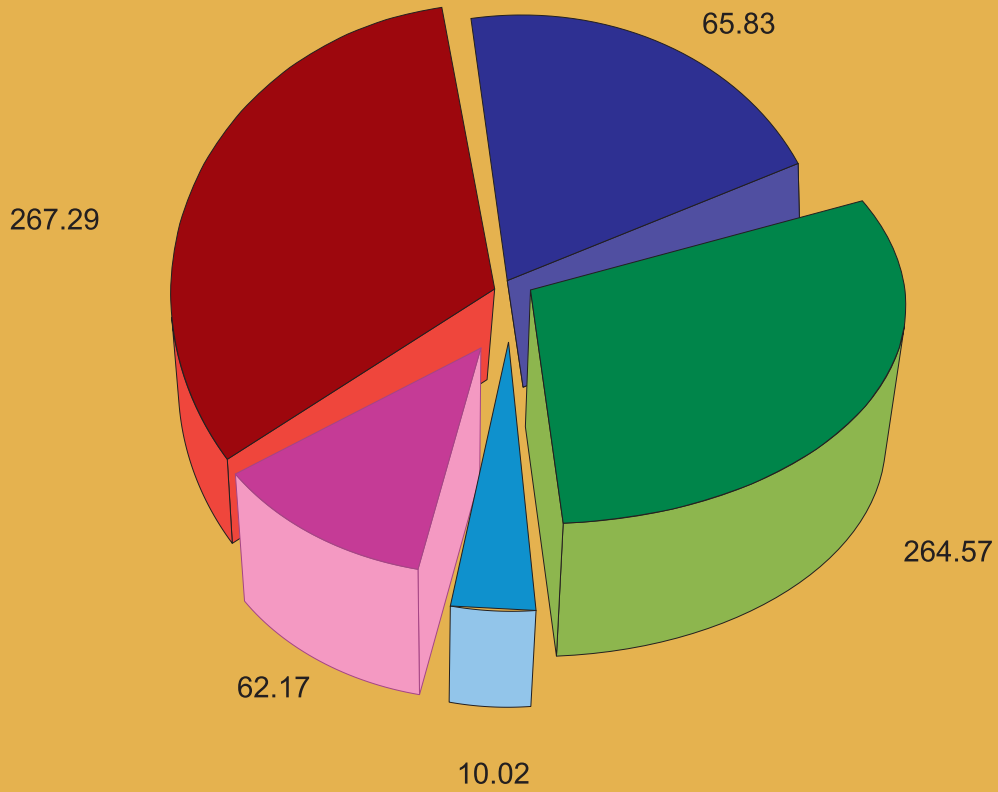
# GROSS FIXED ASSETS & WORK IN PROGRESS (RS. IN CRORES)

As on 31.03.2006



# CURRENT ASSETS

(RS. IN CRORES) As on 31.03.2006



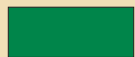
## CURRENT ASSETS



STOCK



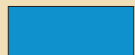
SUNDRY RECEIVABLE



RECEIVABLE AGAINST  
SUPPLY OF POWER



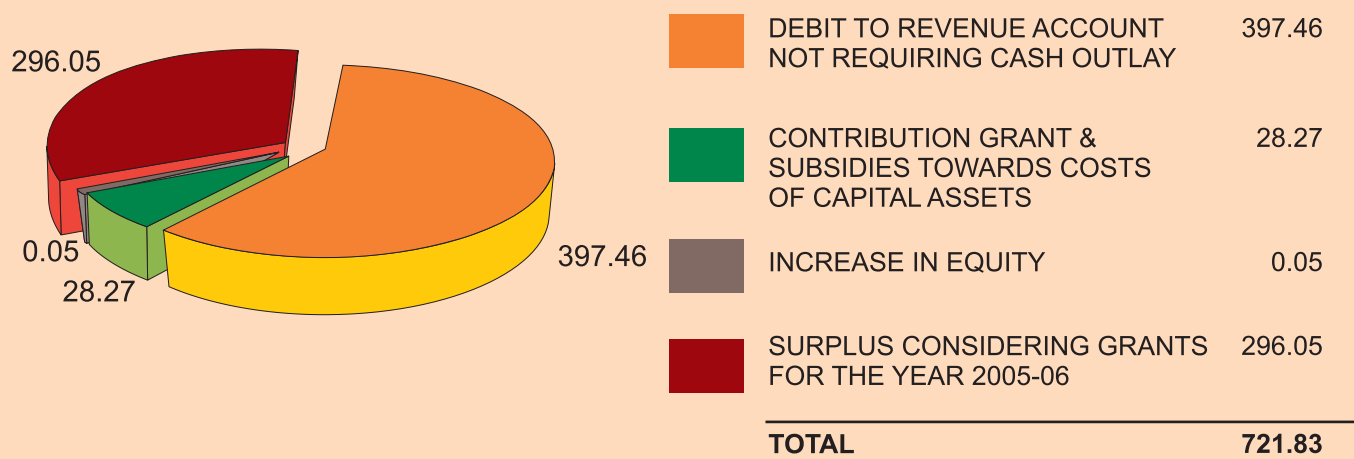
LOANS AND ADVANCES



CASH & BANK BALANCE

### SOURCES OF FUNDS AS ON 31.03.2006

(RS. IN CRORES)



### UTILISATION OF FUNDS AS ON 31.03.2006

(RS. IN CRORES)

