MAHATRANSCO

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

GST NO. 27AAECM2936N1Z2

ANNUAL REPORT
F. Y. 2023 - 2024

MAHATRANSCO
Maharashtra State Electricity Transmission Co. Ltd.
(CIN No. U40109MH2005SGC153646)

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

19th Annual Report for the period of 2023-2024

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MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

19th Annual Report for the period of 2023-2024

CORPORATE DETAILS

BOARD OF DIRECTORS*

Sr.No.	NAME OF THE DIRECTOR'S	DESIGNATION
1.	Shri. Dr. Sanjeev Kumar, IAS	Chairman & Managing Director
2.	Smt. Abha Shukla, IAS	Nominee Director
3.	Shri. Satish Chavan	Director (Operations)
4.	Smt. Trupti Nitin Mudholkar	Director (Finance)
5.	Shri. Vishwas V. Pathak	Independent Director

COMPANY SECRETARY	STATUTORY AUDITORS
Ms. Vineeta Shriwani	M/s. MSKA & Associates Chartered Accountants

REGISTERED OFFICE

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

As on 17.01.2025

DIRECTORS BRIEF PROFILE

Shri. Dr. Sanjeev Kumar, IAS
Chairman and Managing Director

Shri Dr. Sanjeev Kumar (IAS) has joined as Chairman and Managing Director of Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) on 03.05.2023. He is a senior IAS officer of 2003 batch. Prior to joining of MSETCL, Shri Dr. Sanjeev Kumar was posted as Additional Municipal Commissioner, BMC, Government of Maharashtra.

Shri Dr. Sanjeev Kumar is Medical Graduate from Jammu Medical College. He has also done Masters in Public Policy and Management from King`s College, London. He possesses more than 20 years of experience in responsible roles in spheres of Management and Administration. He brings in rich expertise in team, project leadership, administration and management.

Smt. Abha Shukla, IAS
Nominee Director

Smt. Abha Shukla is a senior IAS officer of 1993 batch. She was appointed as Director in Maharashtra State Electricity Transmission Company Limited (MSETCL) w.e.f. 29.11.2022 in the capacity of Nominee Director. Smt. Shukla is holding position of Additional Chief Secretary (Energy), Government of Maharashtra since 03.11.2022 and took over the charge of Managing Director, MSEBHCL w.e.f. 29.11.2022. Prior to this she was holding the position of Principal Secretary (Accounts & Treasury), Finance Department, Mantralaya, Government of Maharashtra.

Shri. Satish Chavan
Director (Operations)

Shri. Satish Chavan is a Graduate in Electrical Engineering from Government Engineering College, Chhtrapati Sambhajinagar. During his career spanning nearly 37 years, he has worked in various capacities right from Apprentice Engineer to Director, Board member level across domains in Steel and Power Sector in Transmission and Distribution. He has worked in the Load Management, Power Purchase, Regulatory and Commercial Cell, Energy Transition Management, Operation and Maintenance Departments of the MSEDCL for around 12 years as Superintending Engineer to Director (Commercial) level.

Prior to that, he has worked for around Seven Years in Projects Department of MSETCL as a Deputy Executive Engineer. He has gained rich experience during his engagement for Electrical Projects and Maintenance Department of Steel Plants in India and abroad. He has gained insightful knowledge and harnessed specialised skill sets in dealing with problems related to engineering, commerce, economics and law in Power Sector.

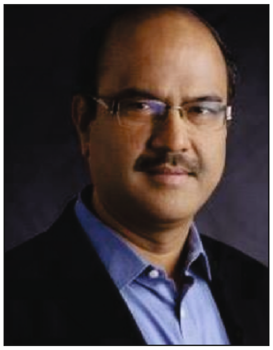
Smt. Trupti Nitin Mudholkar
Director (Finance)

Smt. Trupti N Mudholkar has joined as Director(Finance) in Maharashtra State Electricity Transmission Company Limited (MSETCL) w.e.f 19.07.2024.

Smt. Mudholkar earlier joined as Director in the capacity of Finance expert in Maharashtra State Electricity Transmission Company Limited (MSETCL) w. e. f. 22.01.2021 and her directorship ceased w.e.f. from 29.02.2024 due to retirement from MAHAGENCO.

Mrs Mudholkar is a Chartered Accountant by profession with a wide experience of 25 years in MAHAGENCO and was working as a General Manager (F&A),Koradi Thermal power station ,MAHAGENCO and retired as Chief General Manager(F&A).

Shri. Vishwas Pathak
Independent Director



Shri Vishwas V. Pathak has joined as Independent Director in the capacity of Legal Expert in Maharashtra State Electricity Transmission Company Limited (MSETCL) w.e.f. 22.08.2022.

Shri Pathak is a corporate management professional with hands-on experience in private and public sector, serving on the boards of various corporates in verticals such as infrastructure; manufacturing; telecom; aviation; power generation, transmission & distribution; railways, coal, mines, web and print media and co-operative banking.

Shri Pathak is holding the position of Independent Director & Chairman - Audit Committee of MSEBHCL, MSPGCL, MSETCL and MSEDCL and as Independent Director in Mahanagar Telephone Nigam Limited. Apart from these positions he is also an Independent Corporate Professional running own consultancy firm Zeromile Consultants Pvt Ltd.

Prior to this he has also handled various business operations, capital markets, corporate affairs, legal, risk management, corporate governance, mergers & acquisition, demergers, company/asset valuation, FEMA and corporate laws functions in various corporates and represented before various regulatory authorities in financial world. He was also Addl. PS to the Hon'ble Minister of State for Railways, Coal & Mines during 2021-2022 and advisor to Energy Minister, Maharashtra during 2015-2019.

MAHATRANSCO

Maharashtra State Electricity Transmission Co. Ltd.

(CIN No. U40109MH2005SGC153646)

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

DIRECTORS' REPORT
F. Y. 2023 - 2024

Contents of Directors' Report for F.Y. 2023-2024

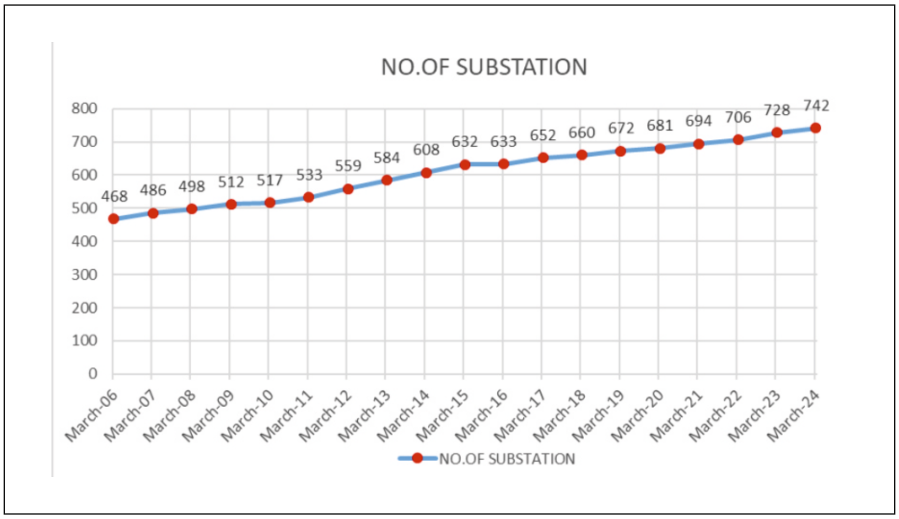
MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
Director's Report

To,
The Members,
We are delighted to present the report on our business and operations for the Financial Year ended March 31, 2024.

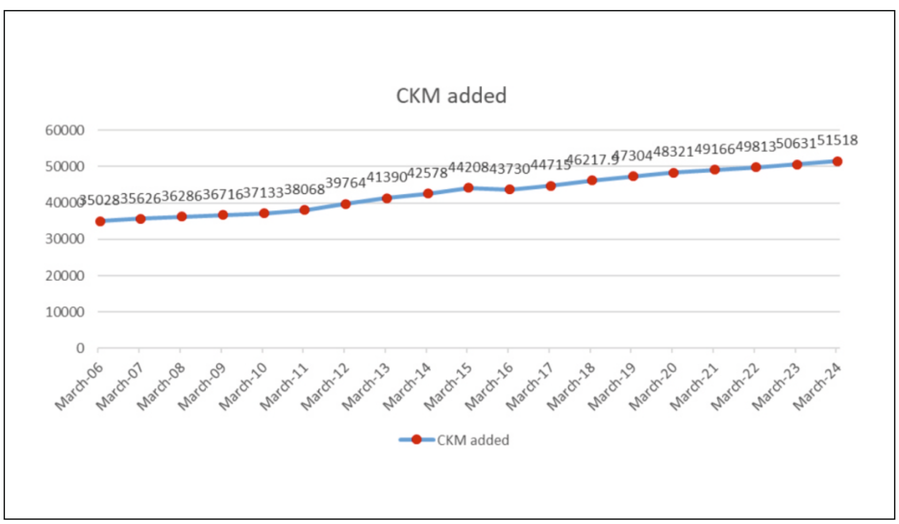
I. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

(A) Overview of Journey from formation of Company till March 2024

We have built and own 742 number of substation as on 31st March 2024 in comparison to 468 number of substations in March, 2006 showing a compounded annual growth rate (CAGR) of 2.46%. Each new substation is being added not only to cater the demand but to give reliable & quality power on 24 x 7 basis along with stability of network as well as reducing the losses. With the addition of each new substation, one can understand the growth of transmission utility commensurate with additional generation capacity matching with demand and requirements of the transmission system.



Similarly we own a vast network of EHV transmission lines ranging from 66kV to 400kV & 500 kV HVDC. As on March- 2006, we had 35028 Ckm of transmission lines, which is expanded to 51518 Ckm as on 31st March 2024, with CAGR of 2.05%.



The voltage levelwise growth from 2005-2006 till March 2024 is as under:

Sr. No.	Voltage Class	Substations as on (Nos.)		EHV network as on (Ckm)	
		March-2006	March-2024	March-2006	March-2024
1	500 kV HVDC	2	2	1504	1504
2	765KV	0	1	0	0
3	400 kV	17	33	6376	8464
4	220 kV	134	254	11478	19882
5	132 kV	217	365	10085	18569
6	110 kV	31	41	1637	1798
7	100 kV	25	39	678	706
8	66 kV	42	7	3270	595
	TOTAL	468	742	35028	51518

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

Present transmission network and related data (as on 31.03.2024)

Sr. No.	Voltage Class	EHV Substations (Nos.)	Transformation Capacity(MVA)	Transmission Lines (Ckm)
1	500 kV HVDC	2	3582	1504
2	765KV	1	3000	0
3	400 kV	33	34048	8464
4	220 kV	254	60840	19882
5	132kV	365	31529.5	18569
6	110 kV	41	2605	1798
7	100 kV	39	2823	706
8	66 kV	7	170.5	595
	TOTAL	742	138598	51518

Achievement against planned for the year 2023-24

Sr. No.	Voltage Class	Substations (Nos.)			Transmission Lines (Ckm)	
		Planned	Actual	MVA	Planned	Actual
1	500 kV HVDC	0	0	0	0	0
2	765KV	0	0	0	0	0.00
3	400 kV	0	0	500	0	0.00
4	220 kV	5	4	750	702	516.40
5	132kV	3	9	525	226	360.06
6	110 kV	0	1	125	0	9.95
7	100 kV	0	0	0	0	0.00
8	66 kV	0	0	0	0	0.00
	TOTAL	8	14	1900	928	886.41

- This shows that we have achieved an incremental growth rate in adding number of substations as well as Ckm of transmission lines.
- Against the targets of 08 Nos. of various voltage level substations, the actual achievement is 14 nos. which is 175%.
- Against the targets of 928 Ckm of various voltage level lines, the actual achievement is 886.41 Ckm, which is 95.5%
- The EHV new substations commissioned during year 2023-24: List attached as ANNEXURE 'A'.
- The EHV transmission lines commissioned during year 2023-24: List attached as ANNEXURE 'B'.

Comparison of last five years							
Sr. No.	**Particulars**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
1	New Substations	9	13	12	22	14	70
	A. MVA addition due to New substations	200	475	1502	1000	550	3727
	B. MVA addition due to Additional transformers	775	740	775	1915	1150	5355
	C. MVA addition due to Replacement of transformers	0	440	661	200	200	1501
	Total MVA addition	975	1655	2938	3115	1900	10583
2	EHV lines (Ckm)	1016.92	845.426	646.803	818.23	886.41	4213.78
3	Capital Expenditure (Rs. in Crores)	1499	1603	1250	1464	1037	6853

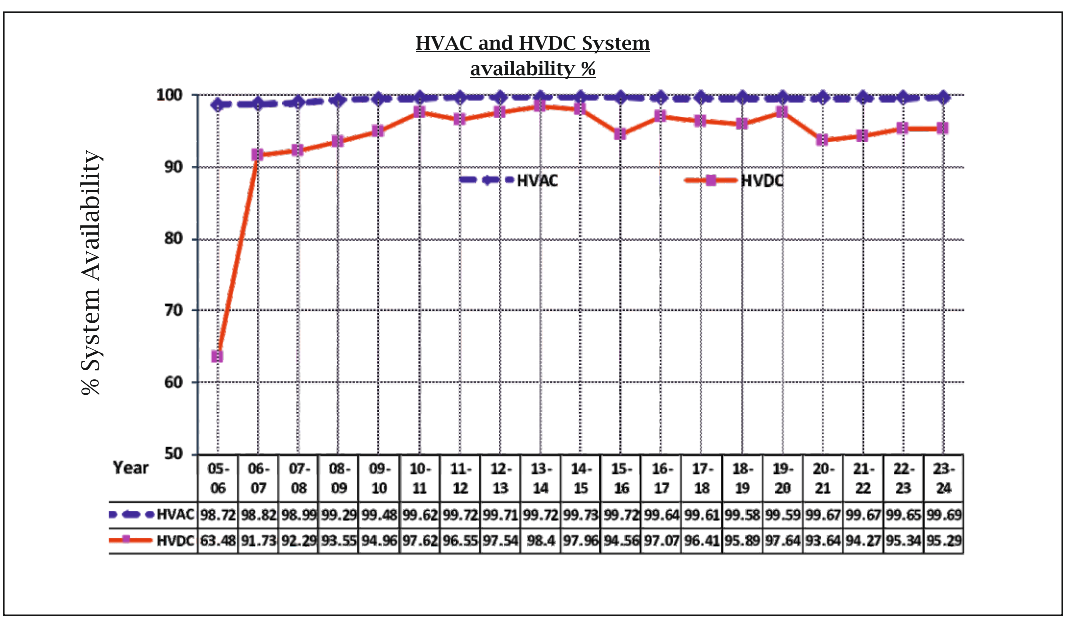
Future Road Map

The state has very high growth rate of development and power being vital engine for accelerating the growth, MSETCL has planned to construct 10 Nos of new substations and 1485 CkM of transmission lines for the period 2024-25, the voltage level-wise targets are tabulated below:

Sr. No.	Voltage Class	Substations(Nos.)	Tr. lines (CkM)
1	765 kV	0	0
2	400 kV	0	456
3	220 kV	4	773
4	132 kV	6	255
5	110 kV	0	0
6	100 kV	0	0
7	66 kV	0	0
	Total	10	1485

(B) Transmission Licensee

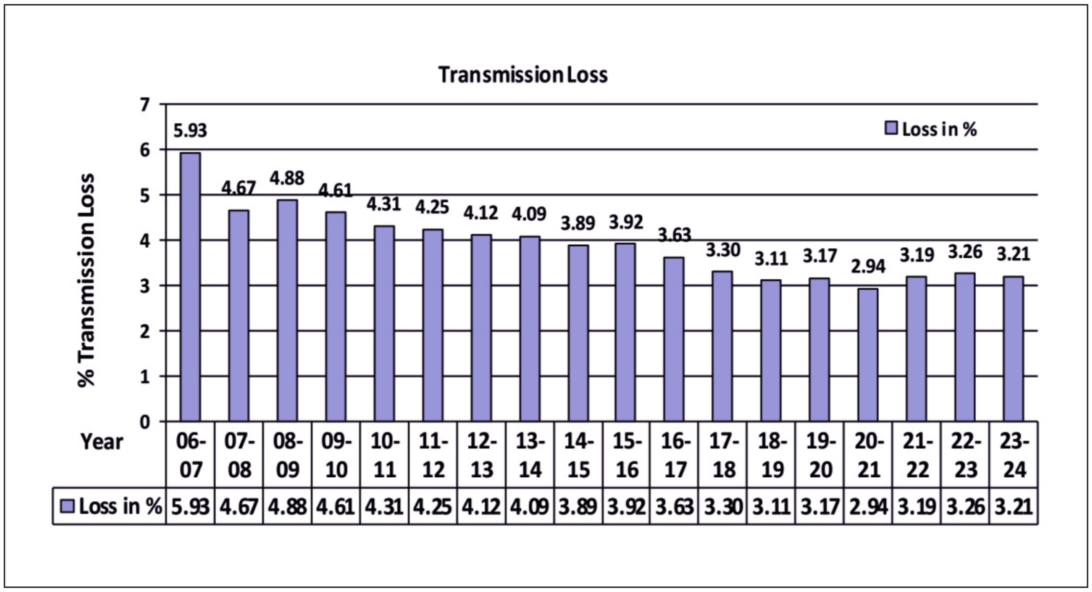
(1) HVAC and HVDC System availability from 2005-06 to 2023-24



HVAC (High Voltage Alternate Current System) & HVDC (High Voltage Direct Current System) Availability Achievement from FY 2005-06 to 2023-24

F.Y.	HVAC	HVDC
2005-06	98.72%	63.48%
2006-07	98.82%	91.73%
2007-08	98.99%	92.29%
2008-09	99.29%	93.55%
2009-10	99.48%	94.96%
2010-11	99.62%	97.62%
2011-12	99.72%	96.55%
2012-13	99.71%	97.54%
2013-14	99.72%	98.40%
2014-15	99.73%	97.96%
2015-16	99.72%	94.56%
2016-17	99.64%	97.07%
2017-18	99.61%	96.41%
2018-19	99.58%	95.89%
2019-20	99.59%	97.64%
2020-21	99.67%	93.64%
2021-22	99.67%	94.27%
2022-23	99.65%	95.34%
2023-24	99.69%	95.29%

(B) (2) Transmission Loss



Sr. No.	Year	Transmission Loss in %
1	2006-07	5.93
2	2007-08	4.67
3	2008-09	4.88
4	2009-10	4.61
5	2010-11	4.31
6	2011-12	4.25
7	2012-13	4.12
8	2013-14	4.09
9	2014-15	3.89
10	2015-16	3.92
11	2016-17	3.63
12	2017-18	3.30
13	2018-19	3.11
14	2019-20	3.17
15	2020-21	2.94
16	2021-22	3.19
17	2022-23	3.26
18	2023-24	3.21

The Transmission loss of 3.21% in the year 2023-24 and it is one of the best among utilities across the country.

(B) (3) Present Transmission Network and Related Data

(As on 31/03/2024)

Voltage level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
765 kV	1	3000	0
500 kV HVDC	2	3582	1504
400 kV	33	34048	8464
220 kV	254	60840	19882.4
132 kV	365	31529.5	18568.7
110 kV	41	2605	1798.4
100 kV	39	2823	706
66 kV	7	170.5	595
Total	742	138598	51518.5

Present Transmission System Availability as against MERC benchmark

Year	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24
EHV AC	(MERC Benchmark 98%)							
Avail. %	99.64%	99.61%	99.58%	99.59%	99.67%	99.67%	99.65%	99.69%
HVDC	(MERC Benchmark 95%)							
Avail. %	97.07%	96.41%	95.89%	97.64%	93.64%	94.27%	95.34%	95.29%

(B) (4) Challenges before Transmission Licensee

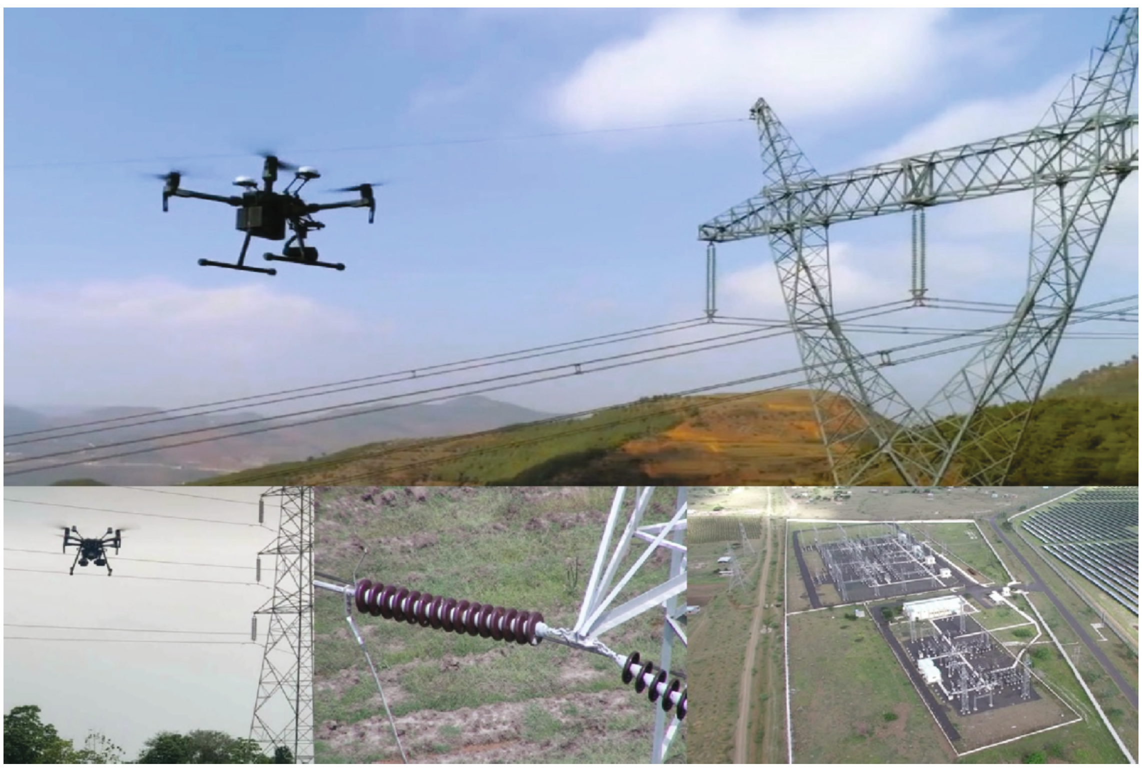
1) **Transmission System Availability:** To maintain & improve further the HVAC & HVDC System Availability.
2) **Transmission Losses:** Reduction in Transmission Losses.
3) **In time Project Completion:** To complete the projects to avoid Time & Cost overrun.
4) **Cyber Security:** To improve the system for securing crucial system data from cyber-attacks and ensuring Cyber security.
5) **Adoption of new technologies:** To improve pace for adoption of new technologies.
6) **Accelerate the business processes:** To avoid the delay in statutory approvals, land acquisition, resolving ROW issues etc.
7) **Optimized cost of Operations & Maintenance:** To maintain the infrastructure without sacrificing the reliability, safety, quality with least cost of operation and maintenance and move towards Automation.
8) Optimum utilization of Network & Manpower.
9) Development of Fiber Optic communication network and exploring business options thereof.
10) Reduction in accidents & ensuring zero accidents.

(B) (5) <u>Adoption of Innovative Ideas & New Technologies:</u>

1) Remote Airborne Inspection and Scanning System (Remote Control Drone):

MSETCL is operating and maintaining vast EHV network spread across the state of Maharashtra. For smooth functioning of such a vast EHV network & maintaining the availability and reliability of transmission system, MSETCL has to take necessary precautionary measures to minimize occurrences due to the problems on the transmission lines. This can be achieved by periodical Survey/ Patrolling for checking the healthiness of Transmission Lines. Previously, conventional methods such as Ground patrolling/ Monkey patrolling were used for observing the damages to the conductor/ hardware/ earth wire. However, these conventional methods of line patrolling are time consuming and inefficient operating procedures. Therefore, MSETCL has adopted the latest technology in line patrolling and introduced Remote Airborne Inspection and Scanning Systems which are Remote Controlled Drones. The use of Drones helps in cost and time savings in line patrolling and maintenance thereof.

MSETCL has procured 24 nos. of Remote Airborne Inspection and Scanning Systems (Remote Controlled Drones) for closer inspection of EHV lines to observe any breakage of conductor/ insulators, missing/ damaged hardware, damages to conductor or earth wire, hot spot etc. These Remote Controlled Drones have pre-installed Thermovision & highly sensitive Visual Cameras along with GPS for precise monitoring of any possible defects/lacunae and also infringement/encroachment issues along the ROW etc. Further, all these digitally recorded details are being monitored/ analyzed to ensure the healthiness of EHV lines. Thus, monitoring Transmission line, towers through Remote Controlled Drone gives the inputs about present condition of the transmission line and suitable corrective/ remedial action/ measures can be taken before any major occurrence/ breakdown takes place.



2) Insulated Type Aerial Work Platforms for Hot-Line maintenance works:

To operate & maintain a wide-spread EHV network with high normative performance standards, new techniques & technologies need to be adopted to cope-up with the technological developments in the field of power sector. MSETCL has adopted Hot Line Maintenance practices through which live line maintenance of equipments is possible. It improves system availability and reduces interruptions on EHV lines. MSETCL has established special Hot Line Maintenance units to carry out works on live system helping in reduction of downtime of a system without availing outages.

Furthermore, MSETCL has procured two Insulated Type Aerial Work Platforms (Articulating Boom lift) one for each Nagpur & Pune zones to carry out Hot Line maintenance works effectively at a height of upto 23 meters. It is a mechanical device used to provide temporary access for people or equipment to inaccessible areas, usually at a height. Such work platforms are able to drive themselves around a site while the maintenance work is in progress.

3) Hot-Line Washing:

Various EHV lines of MSETCL pass through the industrial and foggy area which causes more number of trippings on these lines. To reduce these trippings, the Hot Line Units have to carry out the activity of Hot line washing on these lines regularly. MSETCL has procured seven numbers of Hot-Line washing equipments one for each Zone.

4) Hotline Maintenance / Puncture Insulator Detection (PID):

Puncture Insulator Detector is lightweight tool that record defects and dangerous conditions on energized suspension insulators, station posts, bushings and lightning arresters. They measure the electric field along the insulators, record the electrical field and all conductive insulator defects viz. Leaking insulators, Punctured insulators, Surface contamination, Carbon tracking, Captive moisture.

5) Digital Substation & Digital Bay:

MSETCL is planning to undertake digitalization and remote operation of substations. It will improve the reliability, efficiency and safety of the system with the use fiber optic cables rather than traditional copper connections. Presently, 220/33kV Kekat Nimbhora digital substation is in service under Nashik zone and 1 no. of 220kV Digital Bay is commissioned on dtd. 19.01.2024 at existing 400/220kV Loniknad-II S/s.

6) Implementation of Rapid Restoration System (RRS):

Failure of any ICT unit at EHV substation results in loss to the system as a whole and forced load shedding becomes inevitable till the failed ICT bank comes in operation. Therefore, Rapid Restoration Schemes (RRS) are being implemented as an effective solution to minimize the delay in restoration of normalcy in case of failure of any of the single phase unit of ICT banks at 400 kV substations in MSETCL's system. This gives more flexibility for EHV operation & maintenance and thereby increasing the reliability of system.

7) Automated Meter Reading (AMR) project for interface energy meters:

Automated Meter Reading (AMR) project is implemented for transmission & sub-transmission system throughout the geographical domain of MSETCL and in Mumbai utilities like Adani, BEST & TATA in a phased manner for better granularity and ramp monitoring. This project enabled automated, transparent and reliable process of interface energy meter data collection without manual intervention. It provides actual energy data for effective implementation of Deviation Settlement Mechanism (DSM) in the state of Maharashtra, in line with SAMAST guideline. DSM is a need of GRID discipline and through AMR ABT system it can be achieved in precise and faster manner. Old Interface Energy Meter (IEM) meter data was uploaded manually for DSM. After implementation of this project about 95% IEM data is available through AMR. AMR project also help in scheduling and billing activity at SLDC level.

8) **Maharashtra Transmission Asset Management Center (MTAMC)**

Maharashtra Transmission Asset Management Center (MTAMC) with associated telecommunication system and adapted substations for enabling remote centralized operation, monitoring and control of MSETCL Transmission system has been proposed. MSETCL is planning for establishment of automation of 22 nos. EHV substations monitored & controlled by a Control Center with OPGW connectivity. It will help in centralized monitoring and control of MSETCL substations through a Control Center at Airoli. Automation of substations can be possible such that Remote Protection Management and Relay Parameterization (RAS), Automatic DR Fetching & Analysis (AFAS), Video surveillance of substations through VMS & PIDS, Transformer Monitoring System (TMS- Online Bushing Monitoiring, Online DGA, Auxillary System). It will also help in establishment of Corporate Data Warehouse System (CDWS).

9) **Emergency Restoration System (ERS):**

The outage of transmission system due to natural/ manmade disasters is a matter of concern of utilities/transmission licensees as the outages not only restrict the evacuation of power but also causes serious problem in meeting power demand. The restoration of transmission line in shortest possible time is a challenging and a difficult task for most of the utilities/transmission licensees. To mitigate the natural/ manmade disasters immediate restoration of transmission system on temporary Emergency Restoration System (ERS) is essential to support essential services like hospitals/railways and carrying out other activities during such period.

At present, MSETCL is having 2nos. of ERS, one is kept at Kalwa (Mumbai) and the other one at Murtizapur (Akola district). These are capable of meeting restoration works upto 400kV level. Available two ERS are strategically located to meet requirement in case of emergency. Further, these systems are being used as and when required and found to be very useful. Further considering vast EHV network of MSETCL spread over the large geographical area of Maharashtra state, procurement of additional two numbers of the ERS suitable for works from 132KV to 400KV class transmission lines is under consideration to meet the emergency/ crisis situations effectively.

B. State Grid Operations

<u>State Load Dispatch Centre</u>

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

The functions of State Load Dispatch Centre are as under:

(a) Responsible for optimum scheduling and dispatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;

(b) Monitor grid operations;

(c) Keep accounts of the quantity of electricity transmitted through the State grid;

(d) Exercise supervision and control over the intra-State transmission system; and

(e) responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.

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

(B) (1) Highlights for the FY 2023-24 are as under:

1. Max State Demand Catered was 28969 MW in the month of February 2024.
2. System Frequency remained in permissible range of 49.90 Hz - 50.05 Hz for 73.91% of time. (Max. frequency noted in July' 2023 as 50.42 Hz and Min. Frequency was noted in October' 2023 as 49.46 Hz, Average frequency was 49.99 Hz).
3. 206682 MUs energy of total State Demand was catered.

(All Figures are operational and based on SCADA data)

(B) (2) Major Achievements

1. Black Start Procedure was successfully carried out for following hydroelectric power plant
   Bhivpuri HPS - 25.06.2023 & 19.12.2023
   Khopoli HPS - 25.06.2023 & 19.12.2023
   Bhira HPS - 18.06.2023 & 19.12.2023
   Uran GTPS - 05.06.2023 & 12.12.2023
   Koyna HPS - 20.11.2023
   Ghatghar HPS - 22.12.2023
   Pench - 12.09.2023
2. Back up Control Centre (BCC) operation carried out successfully on 13.09.2023 at ALDC Ambazari in co-ordination with WRLDC & Stakeholders
3. Hon'ble CERC introduced a regulation for Connectivity & General Network Access (GNA) to the Inter State Transmission System. The regulation came in force w.e.f. 01.10.2023. As per the regulation, implementation of GNA at Maharashtra state level executed successfully in coordination with Stakeholders & WRLDC.
4. Annual report of Renewable Energy Management Centre for CY 2022 prepared & Published on MAHASLDC website.
5. Jointly prepared a report on MSKVY 2.0 with MSETCL & MSLDC based on analysis of MSEDCL Demand - Generation, projects under existing MSKVY 1.0, System studies for identifying cluster-wise strengthening needs at transmission level, etc.
6. As per Clause 28 of Maharashtra Electricity Grid Code 2020 (MEGC 2020) State Load Despatch Center developed various procedures. All these procedures have been developed in-house by MSLDC officials. All these procedures are now available on MSLDC website for the use of Stakeholders.
7. The "LDC Excellence Award" is instituted to recognize the exceptional work done by the Load Despatch Centres (LDCs) in the Indian power sector. The secretariat of Forum of Load Despatchers (FOLD), which is a forum for all the LDCs, in India, assisted in dissemination of information about the award to the LDCs, collecting nominations from the LDCs, forwarding the completed forms with compilation of data to an independent Jury. The Jury is constituted by the ICPS Core Steering Committee, to decide the Awardee. This year, on 18.12.2023, 3rd LD excellence award in the category of Large area SLDC won by Maharashtra SLDC.
8. System elements Outages facilitated by SLDC are as follows:
   For 400kV & above:- 2244 Nos
   For 220kV & below:- 6225 Nos

   Following Major outages facilitated by SLDC for various project work of HTLS, METRO, NHSRCL & DFCCIL

Project Name	Name of Element	Period	Outage facilitated for No. of Days
Samruddhi Mahamarg	400kV Padghe – Nagothane ckt - 2	08.06.2023 – 13.06.2023	9
DFCCIL, NHSRCL & Metro Work	1) 220KV Versova – Ghodbunder & Ghodbunder – Gorai 2) 110kV Dharavi – Vikhroli ckt – 1 & 110kV Dharavi – Vikhroli ckt – 2	1) 31.05.2023-06.06.2023 & 22.07.2023-29.07.2023 2)25.11.2023-29.12.2023	1) 13 (Daily basis) 2) 34

HTLS	1)400kV Chandrapur GCR - Chandrapur2 ckt - 1 2)400kV Chandrapur GCR - Chandrapur2 ckt - 2 3) 400kV Kolhapur (MS) - Kolhapur (PG) ckt - 2 4) 400kV Parli New - Parli (MS) ckt - 1 5) 400kV Parli New - Parli (MS) ckt - 2 6) 400kV Kalwa - Padghe ckt - 2 7)400kV Kalwa - Padghe ckt - 1	1) 23.11.2023- 08.12.2023 2) 09.12.2023-21.12.2023 3) 20.03.2023-30.08.2023 4) 19.08.2023-08.12.2023 5) 20.12.2023-16.02.2024 6) 30.12.2023-21.01.2024 7) 11.02.2024-23.03.2024	1) 15 2) 12 3) 163 (Powergrid work) 4) 111 (Powergrid work) 5) 58 (Powergrid work) 6) 22 (temporary tapping arrangement on 400kV Kalwa-Padgha Ckt.2 line will be done by making a bunching arrangement from loc no 3 to loc 132 of 400Kv Padgha-Kharghar (dead line) line at Padgha substation premises). 7) 41 (400kV Kalwa-Padgha-1 line (Loc no. 1113) Tap with 400kV Kalwa-Kharghar line)
Other Project work	1) Kharghar Bus – 1 2) Kharghar Bus – 2 3) Kharghar Bus – 3	1) 27.05.2023 2) 03.06.2023 3) 25.05.2023	For bus extension at Kharghar s/s for **first time charging of 400kV Vikhroli s/s** through 400kV Kharghar – Vikhroli ckt 1 & 2

9. Total 2 Nos of GCC Meeting & 2 Nos of State OCC Meeting were conducted in FY 2023-24. Also, various meetings with stakeholders were conducted as and when required.
10. DSM bills issued by SLDC on weekly basis within time limit.
11. Cyber Security Risk Assessment (RA) audit of SCADA, REMC-SCADA and URTDSM systems carried out from dated 5th June 2023 to 9th June 2023 by NCIIPC.
12. Cyber security audit is done on date 08th May 2023 by M/s. AKS for REMC system & on 18th Aug 2023 for URTDSM system by M/s. AKS.
13. All assets of SCADA, REMC and URTDSM systems syslog servers configured for integration with NCIIPC ACDS System.
14. Timely completion of Cyber security advisories and guidelines of SCADA, REMC- SCADA and URTDSM systems as per the NCIIPC, CERT-IN, CERT-TRANS, Cyber SwathChata Kendra and CEA.
15. 99.95 % system availability of SCADA systems maintained from 1st April 2023 to 31st March 2024.
16. MSETCL Substations, IPP/CPP (RE, Solar, Wind) Generators are integrated in SCADA and REMC- SCADA system from 1st April 2023 to 31st March 2024 as below:

A) MSETCL Substations- 24 Nos.
B) Solar- 30 Nos.
C) Wind - 02 Nos.
D) Bagasse/Small Hydro/Others -15 Nos.

(B)(3) <u>Generation capacity addition during FY 2023-24 in MW:</u>

Particulars	Unit No.	Addition in MW.	Remarks
State Sector			
MAHAGENCO		NIL	
Renewable Capacity	**JPL Unit - 1**	150	COD on 01.11.2017, Resynchronized on 14.09.2023
	JPL Unit - 2	150	COD on 22.11.2023
		665	Solar – 469 MW Wind – 196 MW

Central Sector Units declared COD in FY 2023-24

Unit	Capacity in MW	MSEDCL share in MW	Date of COD
Kakrapar Atomic Power Station Unit - 3	700	223.105	30.06.2023
Kakrapar Atomic Power Station Unit - 4	700	223.105	31.03.2024

(B) (4) Short Term Open Access Granted during the FY 2023-24

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

a. Intra/Inter State STOA:

FY	Firm Power	Day Ahead/Same Day Power	Total No of Applications
2023-24	3913	573	4486

b. Inter State STOA through Power exchange :-

F. Y.	Total Nos. of Standing clearance NOC's processed
2023-24	300

c. REC applications processing: -

FY	No. of applications processed
2023-24	2647

d. Energy Transaction through STOA:-

FY	Total Quantum (MUs)
2023-24	50051

Average Annual Composite Loss				
Sr. No.	Year	Loss	Wheeling Units In Mus	
			Energy I/P	Energy O/P
1	Annual' 06-07	5.93 %	93666	88749
2	Annual' 07-08	4.67 %	93557	89189
3	Annual' 08-09	4.88 %	95477	90815
4	Annual' 09-10	4.61 %	101879	97178
5	Annual' 10-11	4.31 %	107810	103163
6	Annual' 11-12	4.25 %	117555	112562
7	Annual' 12-13	4.12 %	120311	115350
8	Annual' 13-14	4.09 %	122291	117289
9	Annual' 14-15	3.89 %	135373	130107
10	Annual' 15-16	3.92 %	141766	136215
11	Annual' 16-17	3.63 %	143828	138613
12	Annual' 17-18	3.30 %	150340	145385
13	Annual' 18-19	3.11 %	158797	153865
14	Annual' 19-20	3.17 %	155174	150261
15	Annual' 20-21	2.94 %	151779	147322
16	Annual' 21-22	3.19%	168307	162931
17	Annual' 22-23	3.29%	118176	114284
18	Annual' 23-24	3.27%	198321	191831

C. State Transmission Utility

(C) (1) Regulatory and Commercial Activity for the Year 2023-24: NIL

(C) (2) Open Access& Grid Connectivity related Activities for the year 2023-24

Open Access

- Long term Open Access (Intrastate) - Nil
- Medium term Open Access (Intrastate) - Nil
- Long term Open Access (Interstate) - Nil
- Medium term Open Access (Interstate) - Nil
- Partial Long term Open Access - 1(5 MW)
- Partial Medium term Open Access - 21(676.19 MW)

Grid Connectivity

- **Independent power project/CPP :**
  - Final Grid Connectivity issued to 2 nos. capacity 665 MW.

  Grid connectivity issued to 2 nos. capacity 2680 MW.
  - **Co-Generation power projects:**

  Final Grid Connectivity issued to 8 nos. of Co-Generation power plants with total capacity of 232.09MW & Grid Connectivity issued to 7 nos. of co-gen project with total capacity of 104.19 MW.
  - **Wind power projects :**

  Final Grid Connectivity issued to 3Nos. of with total capacity 149MW. Project Grid connectivity issued to 6 nos. projects of capacity 950 MW
  - **Solar power projects :**

  Final Grid connectivity issued to 18 nos. of projects with total capacity 726 MW. Grid connectivity issued to 40 nos. projects of total capacity 1792 MW
  - **Hybrid Power Project :**

  No final Grid Connectivity issued to any project. Grid Connectivity issued to 01 no. project with capacity 100 MW.
  - **Small Hydro Power Plants :**

  Final Grid Connectivity issued Nil, Grid connectivity issued is 02 nos. capacity 7.5 MW.
  - **Municipal solid/Industrial waste :**

  Final Grid Connectivity issued is 1 no., capacity 14 MW.
  Grid connectivity issued to 1 no.Capacity14 MW.
  - **EHV Consumers :**

  Final Grid connectivity issued to 19 nos. of EHV consumers with power demand of 583.092 MW. Intimation for Grid connectivity issued to 51 nos. of EHV consumers with power demand of 3263.359 MW.
  - **Railway EHV TSS :**

  Final Grid connectivity issued to 15 nos. of EHV Railway consumers with power demand of 220 MW. Intimation of Grid connectivity issued to 11 nos. of EHV Railway TSS with Power Demand of 219.57 MW.

(C) (3) STU Five year Transmission plan for the period 2022-23 to 2026-27

The STU Five year plan for the F.Y. 2022-23 to 2026-27 has been approved by Board. The technical abstract for the F.Y. 2023-24 same is a below.

New Substations Proposed

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	1	14	9	1	1	26

Lines associated with new substations in ckt.- km

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	3	435.6	450.5	32	2	923.1 ckt.km

Link line in ckt-km

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	374.5	258	160	0	792.5	1585 ckt.km

2nd ckt stringing in ckt-km

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	0	0	413.3	35		448.3

HTLS in ckt-km

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	62	332	482.3	33	63.50	972.80

Addition of Transformation Capacity in New Substation (MVA)

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	1000	2000	500	100	100	3700

Creation of New Level (MVA)

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	0	500	0	0	0	500

ICT Addition

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	1000	300	0	0	0	1300

ICT Replacement

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	370	350	0	0	0	720

Transformer Addition

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	150	750	875	50	125	1950

Transformer Replacement

Sr.No.	F.Y.	400kV	220kV	132kV	110kV	100kV	Total
1	2023-24	550	275	25	0	850	9020

(C) (4) Challenges before STU

- Lack of reliable data:- There is a lacuna in availability of important system parameters for all locations in STU network resulting into difficulties of carrying out of growth projection, likely congestion, utilization assessment & other studies. A reliable IT mechanism needs to be created for this purpose.
- Evacuation of Renewable Generation and integration: There is considerable renewable generation targets in the Govt. policy. There is no detailed area wise study available for realizable potential of RE in Maharashtra. Hence, difficulties are faced to plan transmission backbone network accordingly.
- The time gap in transmission plan and its realization in some area has created challenges in transmission network for the region.
- Capacity building of STU personnel: There is a need of expertise staff to handle system planning it is a need of hour to develop such expertise with assistance of technical institution like IIT, Mumbai and companies providing such services.

D. JOINT VENTURES OF MSETCL

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

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

JPTL was formed to take up development of transmission system as an integral part of Intra State Transmission System for evacuation of power from the 1,200 MW Jaigad Thermal Power Project of JSWEL as well as evacuation of power generated from other proposed power projects in Ratnagiri region.

JPTL was awarded transmission license dated 8th February, 2009 by the Hon'ble Maharashtra Electricity Regulatory Commission (MERC) under Section 14 of the Electricity Act, 2003. The license authorizes the Company to establish, operate and maintain transmission system consisting of 400 kV Jaigad - New Koyna and Jaigad - Karad transmission lines for 25 years.

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

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

JPTL follows a 'cost-plus' mechanism to recover transmission charges. This mechanism of fixing transmission charges ensures recovery of O&M expenses, interest expense, depreciation etc. and a post-tax return on equity of 15.5%. However, a temporary cash flow impact is could be expected due to the likely collection weakness at the discom level.

For the Financial Year 2023-24, the transmission system availability achieved was 99.79% (which is highest availability maintained by the company since inception and setup a new benchmark) against the normative availability of 98%.

JPTL has complied with all regulatory requirements during the Financial Year under the transmission license granted by MERC.

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

Maharashtra Transmission Communication Infrastructure Ltd (MTCIL) is a joint venture between Sterlite Power Transmission Limited (SPTL) (51%) and Maharashtra State Electricity Transmission Company Ltd (MSETCL) (49%). MTCIL was formed to establish a 3300 km's reliable OPGW network covering the entire state of Maharashtra. MSETCL is utilizing the network for seamless voice, data, remote monitoring, tele protection, asset management and SCADA connectivity between substations. The surplus fiber capacity is being leased out to the telecom service providers.

The network is also monetized through spare OPGW fiber by offering to customers connecting different locations within Maharashtra. The ring architecture connects all major cities within the state of Maharashtra. All leading Telco's, ISPs, MSOs, Wholesale carriers are utilizing this superior network and the customer base is rapidly growing.

MTCIL has built an intra-city Data center OPGW corridor ring across Mumbai, the city which hosts major data centers within the country. This corridor runs very close to several prime data centers and provides almost end-to-end OPGW connectivity to telecom service providers. This will be critical for enhancing their network performance and delivering services with low latencies to new-age customers like OTTs and Hyper scalers.

MTCIL has successfully developed and installed the 96F OPGW for the first-time commercial usage and upgraded some of existing 48F OPGW link to 96F OPGW where the high demand of fiber to generate the additional revenue.

MTCIL allows Power utility infrastructure (OPGW, transmission and distribution towers & substations) to be leveraged by Telco's and other communication service providers to deliver data and voice services. We are the leading best-in-class dark fiber solution provider in the country, utilizing the highly reliable OPGW network. We provide the best uptime in the industry using high-quality fiber with less attenuation.

The co-location services provide a flexible rental rack space in a highly secured location with uninterrupted power supply and multiple back-up power. MTCIL is first in the Indian telecom industry to introduce edge computing containerized data centers (CDC) to host telecom equipment at co-location facilities. CDC solution reduces the turnaround time and provides superior customer experience. MTCIL has also innovated Micro CDCs which can host 3-4 racks and serve as excellent facility in remote Tier 3 and 4 towns where the demand is not very high but can address the requirements of ISPs and Telcos

MTCIL has successfully installed a solar power solution to provide an alternative, redundant and reliable power supply to co-locations. The solar power solution has helped the Company to save on 50% Opex cost (reduction on electricity bills), 500 Kg/site carbon footprint reduction. This has been deployed and running at 3-4 locations in FY24 and plans to cover at least 10 more facilities by FY 25.

MTCIL had received approval for additional 2000 Km OPGW network under expansion plan to connect 74 no's of substation to strengthen the communication system for MSETCL SCADA system and generate the additional revenue by leasing the spare Fibers to potential telecom service provider. In FY 24 there was successful installation of 1350 approx kms and these were crucial fibre routes connecting proximity locations of AP, MP and Karnataka.

DATA GROWTH AND FIBER REQUIREMENT

India is the world's second-largest telecommunications market. The total subscriber base, wireless subscriptions as well as wired broadband subscriptions have grown consistently Tele-density stood at 84.51%, as of March 2024, total broadband subscriptions grew to 846.57 million until March 2024.

Over the next five years, rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India, creating opportunities for new businesses.

The 5G rollouts of fibre and BTS connectivity augmentation has been completed by JIO and Airtel at 95% locations Pan India by March 24 and VIL is planning to roll-out its 5G services with improved funding in FY 25. This has resulted in good business uptake of OPGW fibre from JIO and Airtel in Intercity in FY 24. This will also create lot of fiberisation of telecom towers and sites and points of presence to deliver the high speeds and customer experience and hence there will be exponential demand for reliable fibre, especially OPGW across Maharashtra and country in next 2-3 years.

By 2025, India will need 22 million skilled workers in 5G-centric technologies such as Internet of Things (IoT), Artificial Intelligence (AI), robotics and cloud computing. The immense drive from GOI for localization of data along with emergence of OTTs and Hyper-scalers require robust Data Centre connectivity and many Data center players have announced plans to deploy new facilities in Mumbai, NCR, Hyderabad and this will also require fiber connectivity creating demand. MTCIL has created a unique fibre corridor across Navi Mumbai on a ring network of 72 kms from Kalwa-Kharghar-Trombay-Nerul-Mulund-Kalwa which is connecting 10-15 prominent DCs and hence is being sought after by large Telcos and likes of AWS and Google

BUSINESS OUTLOOK

MTMTCIL continues to be a preferred choice for large telecom service providers, ISPs and MSOs who are wanting OPGW fiber connectivity to boost their network performance and have near 100% uptime to provide superior services to their end customers. Your Company has an active customer base of twenty leading Telecom and Internet services providers including Reliance Jio Infocomm Limited. Vodafone Idea Limited, TATA Communications Limited and Bharti Airtel Limited as of March 31, 2024. The financial year 2023-24 has been a landmark year for your Company with an INR 300 Crores approx. order booking the highest so far from existing and new customers. The cash collections in FY 24 stood at a whopping INR 124 Cr approx. In FY 24, MTCIL closed the year with an all-time high billing of INR 180 Cr.

Buoyed by the success in FY 24 and the exponential growth in data traffic post pandemic, MTCIL is planning to upgrade its 48F fiber with 96F fiber for doubling the network capacity at certain select routes and 144Kms as well in specific high potential routes of around 130Kms. We are the first one in India to use 96F OPGW in data networks. This will further strengthen MTCIL's capabilities as largest digital infrastructure provider with robust OPGW serving all communication service providers in the region.

MTCIL is planning to leverage its network and demonstrated uptimes and stability of OGW and position the fiber service through Telcos tCIL expects sizeable deals from OTT segment through licensed service providers in FY 25.

The additional capacity will address the rising data demand due to next generation 5G, IoT technologies, and support the further economic growth of the region.

MTCIL is targeting an order booking of 350Cr in FY 25 and the cash collections of around 180-200 Cr in FY 25 considering the demand from 5G rollouts and DC connectivity.

E. Human Resource Department

(E) (1) MSETCL believes that, in the ever-evolving landscape of the business world, the key to sustained success lies in the development and empowerment of human capital. As we reflect on the growth trajectory of the company, it is essential to recognize that our employees remain the backbone of our progress, and their continuous development plays an indispensable role in our long-term success.

Human resources development is at the heart of our corporate strategy, and we are committed to fostering a workforce that is not only skilled but also resilient, engaged, and aligned with our organizational values. As we reflect on the progress we have made over the past year, we recognize that the success of our company is inextricably linked to the growth and development of our people.

As we move forward, we remain committed to strengthening our efforts, focusing on building an equitable workplace where all employees have equal access to opportunities for advancement and success.

(E) (2) Working Manpower Strength (Including supernumerary) as on 31st March 2024 is 8834 nos.

(E) (3) HRD Initiatives:

- HR Process Automation
- Implementation of Training Policy for employee development
- Development of Regional Training Centres as a new profit centres
- Training Need Identification

(E) (4) Training and Development in MSETCL

a) MSETCL Training Policy:

MSETCL Training Policy is aligned with the National Training Policy issued by the Ministry of Power, Government of India. The MSETCL has established a comprehensive training framework. According to this policy, each employee is entitled to seven days of training annually. This allocation is divided into four days dedicated to functional training and three days focussed on behavioural training.

b) Digital Transformation through Skill building

We recognize that the world of work is undergoing a profound transformation. The rise of artificial intelligence, automation, and digital technologies is reshaping industries, and we are committed to ensuring that our workforce is prepared for these changes. To this end, we are expanding our digital training initiatives, incorporating advanced technologies such as virtual reality for training simulations and AI-driven learning platforms to personalize development experiences.

Our human resources development strategy will continue to evolve with the times, ensuring that we equip our employees with the knowledge, tools, and mindset required to excel in a digital-first economy.

c) During the year 2023-24, various need based training programmes were conducted mostly in following areas:

Power Transformer	Hot Line - PID
Substation Automation	Live Line Insulator Washing
E-Tendering	Contract Management
Drone Pilots	Busbar Protection
Cyber Security	

Along with this MSETCL has conducted some of the flagships Programs such as under:

Trainers Meet	Union Meet
HR Summit	Project Summit
Automation Summit	

d) In-house capabilities of training facilities available at MSETCL :

To keep the employees updated and up skilled with the modernization of Power sector for their 360 degree development, Regional Training Centres (RTCs) at all 7 zones have been established and strengthened. Training programs for Pay Group III & IV employees, Induction level training for Assistant Engineers are conducted here. The trainings imparted vary from Operation & Maintenance, Behavioral/Managerial, Refresher trainings.

e) Other Value Additions :

- Initiative for conducting online MCQ based Departmental Examination at MSETCL end is being undertaken
- Initiative for conducting Reward Scheme for motivation the MSETCL Employees.
- Procurement of annual IEEE Subscription for MSETCL Employees.

for F&A and HR related topics, ERP refresher and any relevant topic as and when needed.

f) Training imparted and expenditure incurred during the year 2023-24 is as under :

Total Mandays covered	Expenditure Incurred (Rs. In Lakhs)
44349	**617**

g) Future Plans:

- Training Programs on advanced topics such as HVDC, GIS, Smart Grid, Substation Automation, Digital Substation, Project Management, Grid Management, Cyber Security etc.
- Training Need Analysis of MSETCL.
- Skill building for Digital Transformation.
- E-Learning
- Mentorship Policy

(E)(4) Achievements :

Sr. No.	Name of Award	Segment / Category	Award Type	Award By	Award Against specialized work	Date of Award
1	PRSI National Awards - 2023	State Utility	Third Prize	Public Relations Society of India	Best Social Media and PR	25.11.2023
2	PRSI National Awards - 2023	State Utility	Third Prize	Public Relations Society of India	Branding and Best Film (English)	25.11.2023
3	PRSI National Awards - 2023	State Utility	First Prize	Public Relations Society of India	Bharat Ratna Shri Atal Bihari Vajpayee National Awareness Campaign Award	25.11.2023

(E)(5) Employee Reward Scheme :

In order to motivate employees and team work 'Reward and Recognition Scheme' for various categories of units have been implemented. As per the scheme State and Field Level Rewards were distributed among the winner units. State Level Prize Distribution Programme was held on 6th June 2023 on the occasion of Company's Foundation Day.

(E)(6) Employee Welfare

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

- Company conducts Sports tournaments at Division, Circle, Zone & State level and Drama Competition at Zone & State level. Sports and Drama Competitions are organized at alternate years.
- The Company also participates in tournaments organized by All India Electricity Sports Control Board (AIESCB). The employees secured Gold/ Silver/ Bronze medal in National/ International, AIESCB Sports tournaments is felicitated with cash prizes.
- The Company encourages employees to participate in Drama Competition. It conducts Drama Competition at Circle, Zone & Inter-Company level. Some of the winner Drama teams also secured prestigious awards in Drama Competition conducted by Maharashtra State Govt.
- MSETCL also provides various cash prizes to the wards of the employees for various selection for qualifications viz. M.B.B.S., Scientific Research, selected in UPSC/ MPSC for Class-I post. National Saving Certificate of Rs. 5000/- to the employees who have given birth to female child is provided.
- Scholarship to the wards of the employees who stands in merit in the 10th Standard upto graduation level is provided through MSEB Staff Welfare Fund Committee.
- School bus facility is provided at remote sub-stations such as Padgha.
- The wards of employees having minimum 40% disability / deaf & dumb as certified by the District Civil Surgeon will be given financial aid of Rs. 5,000/- to purchase tricycle/ hearing aids through MSEB employees Staff Welfare Fund Committee.
- The Company has introduced Rs. 20 Lacs Term Insurance Policy for employees.
- The Company has also adopted Accident Insurance Policy of Rs. 10 lacs from Government of Maharashtra for Company employees.

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

a) To obtain essential Liaisons from various government authorities under various labour laws and Settlement of on duty accident medical cases and compensation of their claims as per Labour laws.

b) Grievance meetings are conducted by playing mediator role between management and unions, so as to maintain harmonious industrial relations.

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

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

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

II. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Directors

During the financial year 2023-24, the following changes in the composition of the Board of Directors of the Company have taken place as per the directions of the Energy Department, Government of Maharashtra and the holding Company, MSEB Holding Co. Ltd.

Sr.No.	Name of the Director	Date of Appointment	Date of Cessation
1.	Dr. Sanjeev Kumar, IAS	03.05.2023	-
2.	Shri Ashok Phalnikar	05.10.2020	31.01.2024
3.	Shri Quadri Nasir Syed Mazhar	05.10.2021	10.10.2023
4.	Shri Sugat Gamare	10.01.2022	-
5.	Smt. Trupti Mudholkar	22.01.2021	29.02.2024
6.	Shri Vishwas Pathak	22.08.2022	-
7.	Smt. Abha Shukla, IAS	29.11.2022	-
8.	Shri Satish Chavan	05.03.2024	-

Directors on the date of report are as follows:

Sr.No.	Name of the Director	Designation	Date of Appointment
1.	Dr. Sanjeev Kumar , IAS	Chairman & Managing Director	03.05.2023
2.	Smt. Abha Shukla, IAS	Nominee Director	29.11.2022
3.	Shri Satish Chavan	Director(Operations)	05.03.2024
4.	Smt. Trupti Mudholkar	Director(Finance)	19.07.2024
5.	Shri Vishwas Pathak	Independent Director	22.08.2022

(B) PERFORMANCE EVALUATION OF DIRECTORS

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

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

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

(C) Key Managerial Personnel

During the financial year 2023-24 the following are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

Sr.No.	Name of the Key Managerial Personnel	Designation	Date of Appointment	Date of Cessation
1.	Shri. Dinesh Waghmare, IAS	Chairman & Managing Director	23.01.2020	02-05-2023
2.	Dr. Sanjeev Kumar , IAS	Chairman & Managing Director	03.05.2023	-
3.	Shri. Ashok Phalnikar	Chief Financial Officer	05.10.2020	31.01.2024
4.	Ms. Vineeta Shriwani	Company Secretary	22.06.2015	-

(D) Meetings

(i) Board Meetings

During the financial year under review, 07 Board Meetings were held on the following dates:

Sr.No.	Number of Board Meeting	Date of Board Meeting
1.	161st Board Meeting	15.05.2023
2.	162nd Board Meeting	08.04.2023
3.	163rd Board Meeting	21.09.2023
4.	164th Board Meeting	27.10.2023
5.	165th Board Meeting	29.12.2023
6.	166th Board Meeting	19.01.2024
7.	167th Board Meeting	04.03.2024

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

Board Meeting attendance of directors during financial year 2023-24

Name of the Director	No. of Board Meetings held	
	Held	Attended
Dr. Sanjeev Kumar	7	7
Shri Sugat Gamare	7	7
Shri Vishwas Pathak	7	7
Smt. Abha Shukla	7	3
Shri Quadri Nasir Syed Mazhar [1]	7	3
Shri Ashok Phalnikar [2]	7	6
Smt. Trupti Mudholkar [3]	7	4

1. *Shri Quadri ceased to be Director w.e.f. 10.10.2023*
2. *Shri Phalnikar ceased to be Director w.e.f. 01.02.2024*
3. *Smt.Mudholkar ceased to be Director w.e.f. 01.03.2024*

(ii) COMMITTEE OF THE BOARD OF DIRECTORS

The Company has the following Committees of the Board:

- **Audit Committee (AC)**

The Audit Committee was re-constituted on 24.08.2015 pursuant to provisions of Section 177 of the Companies Act, 2013.

As per amendments vide MCA notification dated 05.07.2017 in Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 and MCA notification dated 13.07.2017 Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, MSETCL being a wholly owned subsidiary of MSEB Holding Company Limited, is not required to appoint Independent Directors or to constitute an Audit Committee and Nomination and Remuneration Committee of the Board.

As a good governance practice MSETCL continued with the appointment of Independent Directors and Audit Committee also. In FY 2019-20, Shri Vishwas Pathak, Independent Director resigned from the Board of MSETCL w.e.f. 08.01.2020 and Smt. Pushpa Chavan also resigned w.e.f 10.06.2020.

During FY 2022-23, Shri Vishwas Pathak was appointed on the Board of MSETCL on 22.08.2022 as an Independent Director and thereafter it was decided to re-constitute the Audit Committee for better governance practice.

Accordingly in 159th Board Meeting held on 29.12.2022 the Audit Committee was re-constituted as under:

Sr. No.	Committee Members	Category
1.	Chairperson	Independent director
2.	Executive	Director (Projects)
3.	Independent Director-Non Executive	Independent Director/Non-executive Director
	Permanent Invitees	
4.	Chairman and Managing Director	
5.	Director (Finance)	

The composition of Audit Committee as on the date of the report is as under:

Sr.No.	Name of Committee Members	Designation	In the ex-officio capacity of
1.	Shri Vishwas Pathak	Chairman	Independent Director
2.	Shri Avinash Nimbalkar	Member	Director (Projects)(A/C)-Executive
3.	Dr. Sanjeev Kumar, IAS	Permanent Invitee	Chairman & Managing Director
4.	Smt. Trupti Mudholkar	Permanent Invitee	Director(Finance)-Executive

During the financial year under review, Four Audit Committee Meeting was held on the following date:

Sr.No.	Number of CSRC Meeting	Date of Meeting
1.	2nd Audit Committee Meeting	20.07.2023
2.	3rd Audit Committee Meeting	26.10.2023
3.	4th Audit Committee Meeting	29.12.2023
4.	5th Audit Committee Meeting	04.03.2024

Audit Committee Meeting attendance of directors during financial year 2023-24

Name of the Director	No. of Meetings held	
	Held	Attended
Shri Vishwas Pathak	3	3
Smt. Trupti Mudholkar	3	3
Shri Quadri Nasir Syed Mazhar [1]	3	1

[1.] *Shri Quadri ceased to be Director w.e.f. 10.10.2023*

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

The Nomination and Remuneration Committee was re-constituted on 24.08.2015 pursuant to provisions of Section 178 of the Companies Act, 2013.

As per amendments vide MCA notification dated 05.07.2017 in Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 and MCA notification dated 13.07.2017 Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, MSETCL being a wholly owned subsidiary of MSEB Holding Company Limited, is not required to appoint Independent Directors or to constitute an Audit Committee and Nomination and Remuneration Committee of the Board.

Corporate Social Responsibility Committee (CSRC)

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

Sr.No.	Name of Committee Members	Designation	In the ex-officio capacity of
1.	Dr. Sanjeev Kumar, IAS	Chairman	Chairman & Managing Director
2.	Shri Avinash Nimbalkar	Member	Director (Projects) (A/C)-Executive
3.	Smt. Trupti Mudholkar	Member	Director(Finance)-Executive
4.	Shri Vishwas Pathak	Member	Independent Director

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

Sr.No.	Number of CSRC Meeting	Date of Meeting
1.	34th Corporate Social Responsibility Committee Meeting	20.07.2023
2.	35th Corporate Social Responsibility Committee Meeting	29.12.2023
3.	36th Corporate Social Responsibility Committee Meeting	04.03.2024

CSRC Meeting attendance of directors during financial year 2023-24

Name of the Director	No. of Meetings held	
	Held	Attended
Dr. Sanjeev Kumar, IAS	3	3
Shri Quadri Nasir Syed Mazhar [1]	3	1
Shri Ashok Phalnikar [2]	3	2
Shri Vishwas Pathak	3	3

[1.] *Shri Quadri ceased to be Director w.e.f. 10.10.2023*
[2.] *Shri Phalnikar ceased to be Director w.e.f. 01.02.2024*

MEETINGS OF THE MEMBERS OF THE COMPANY

Annual General Meeting

The last three Annual General Meetings (AGM) were held as under:

AGM	For the F. Y.	Venue	Day and Date	Time
16th	2020-21	Conference Hall, 3rd Floor, HSBC Building, Fort, Mumbai-400001	Wednesday, December 29, 2021	17.00 Hrs.
Adj. 16th	2020-21	Conference Hall, 3rd Floor, HSBC Building, Fort, Mumbai-400001	Thursday, February 24, 2022	12.30 Hrs.
17th	2021-22	Conference Hall, Guest House, Bijli Nagar, Nagpur-440001	Wednesday, December 29, 2022	16.45 Hrs.
18th	2022-23	Conference Hall, 3rd Floor, HSBC Building, Fort, Mumbai-400001	Friday, December 29, 2023	17.00 Hrs.

III. FINANCIAL HIGHLIGHTS

(A) During the year under review, performance of your company as under: **[Rs. In Crs]**

Particulars	2023-24	2022-23
Total Income	7,210.06	5,681.85
Total Expenditure	4,471.35	4,117.89
Profit Before Tax	**2,738.71**	**1,563.96**
Provision for Tax	(962.25)	(527.28)
Net Profit / (Loss) after Tax available for Appropriation	**1,776.46**	**1,036.68**
Other Comprehensive Income	(108.07)	(8.51)
Total Comprehensive Income	**1,668.39**	**1,028.17**

Profit before Tax for the year 2023-24 is at Rs.2738.71 crore as against Rs. 1563.96 crore during the previous FY 2022-23. Profit after Tax for FY 2023-24 is at Rs. 1776.46 crore as against Rs.1036.68 crore during the previous FY 2022-23. The major element of Revenue for the Company is Transmission Charges which is collected from State Transmission Utility (STU).

(B) Reserves

The Company has transferred Rs.77.07 crores to Contingency Reserve Fund, Rs. Nil to Special Reserve Fund and Rs. 24.67 crores to Load Dispatch Center Empowerment Reserve (LDCD) Fund.

(C) Change in Share Capital

The Capital Structure of the Company is as under: **(Amt in Rs.)**

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

In F.Y. 2023-24 there was no change in the Share Capital of the Company.

(D) Dividend

Considering the requirement of funds for system improvement and various infrastructural projects, Directors did not recommend any dividend for the financial year ended 31st March 2024.

(E) Internal Controls

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

(F) Subsidiary and Associates Company:

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

MSETCL has two Associate Company's namely

i) Jaigad Power Transco Limited

ii) Maharashtra Transmission Communication Infrastructure Limited

(G) Cost Auditors

The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, in exercise of powers conferred u/s 148 of the Companies Act, 2013 issued Companies (Cost Records and Audit) Amendment Rules, 2014 to audit

Cost Accounting Records and Books of Accounts maintained by the company in respect of Electricity Industry. M/s B J D Nanabhoy & Co., Cost Accountants were the cost auditor for the F.Y. 2023-24.

The Board of Directors appointed M/s Dhananjay V Joshi & Associate., Cost Accountants, as the cost auditor for the F.Y. 2024-25 and their appointment has been taken on record by MCA.

(H) Statutory Auditors

As the Company is a Government Company under section 2(45) of the Companies Act, 2013, the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 appoints the Statutory Auditors to audit the Annual Accounts.The C&AGI, New Delhi vide letter No CA.V/COY/MAHARASHTRA,MSETCL (1)/1013 Dated 20/09/2023 has appointed M S K A & Associates, Chartered Accountant as Statutory Auditor for F.Y. 2023-24.

The C&AGI, New Delhi vide letter No. CA.V/COY/MAHARASHTRA,MSETCL (1)/975 Dated 21/09/2024 has appointed 'M S K A & Associates' Chartered Accountant Firm as the statutory auditor for the financial year 2024-25. The Statutory Auditors appointed by C&AGI will hold office until the conclusion of next Annual General Meeting.

(I) Explanation to the remarks of Statutory Auditors' Report & comment of Comptroller and Auditor General of India on the accounts of the Company:

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

In terms of Section 143 (6) of the Companies Act, 2013 the comments of the Comptroller and Auditor General of India on the accounts of the Company for the year ended March 31, 2024 are annexed to the report as Annexure VII.

(J) Deposits

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

(K) Particulars of Loans, guarantees or investments

Your company has not directly or indirectly:

a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,

b) given any guarantee or provide security in connection with a loan to any other body corporate or person and

c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

(L) Related Party Transactions

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

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

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

(N) Funding arrangement/Institutional Borrowing

MSETCL has submitted its Capital Expenditure Plan for FY 2020-21 to 2024-25 of around Rs.8371 crores to MERC.

In the Financial Year 2023-24, MSETCL has raised Rs.156 crores through Debt component. For debt component, MSETCL has tied up with Power Finance Corporation (PFC), Rural Electrification Corporation (REC) and Nationalized Banks.

IV. <u>OTHER COMPLIANCES</u>

(A) Secretarial Audit Report

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

(B) Risk Management Policy

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

https://mahatransco.in/information/details/risk_management_policy

(C) Extract of Annual Return

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

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

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

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

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

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

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

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

V. <u>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO</u>

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

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

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

Technology Absorption

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

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

Foreign exchange earnings and Outgo

There has been no Foreign Exchange earnings and outgo during the year 2023-24

VI. <u>CORPORATE SOCIAL RESPONSIBILITY (CSR)</u>

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

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

VII. DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2024 and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts for the financial year ended March 31, 2024, on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIII. ACKNOWLEDGEMENTS

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

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

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

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

For and on behalf of the Board of Directors

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director

Place : Mumbai
Date : 17-01-2025

Annexure Index

EHV Substations commissioned during the F.Y. 2023-24

Annexure-I

I	MSETCL					
a)	**New Substations**					
SN	**Substation & Scope**	**Scope**	**MBR**	**MVA/ MVAR**	**Date (COD)**	**Districts**
1	220/33kV GIS Ulwe Node substation	2 x 50MVA, 220/33kV T/Fs	BR 126/25 dt 23.02.2018	100	12-Jul-23	Raigad
2	220kV Waghivali GIS switching substation	Only bays	BR 98/20 dt 16/04/2015	0	01-Sep-23	Thane
3	132/33kV Tirthpuri substation	2 x 25MVA, 132/33kV T/Fs	BR 145/11 dt 22.01.2021	50	08-Jan-24	Jalna
4	220/33kV Khed City substation	2x50 MVA, 220/33kV T/Fs.	BR 128/22 dt.21.04.2018.	100	22-Feb-24	Pune
5	Up-gradation of existing 132 kV Pandharkawda substation to 220 kV level	2x 100MVA, 220/132kV ICTs	120/06, dtd. 14-09-2017	200	27-Mar-24	Yavatmal
6	132/22kV Bibwewadi substation	2 x50MVA 132/22kV T/Fs	BR 136/24 dt 29.07.2019	100	29-Mar-24	Pune
	Total MVA			**550**		
b)	**Transformer Augumentations (Projects)**					
1	Creation of 110 kV Level at 220 kV Peth S/s.	1x 100MVA, 220/110kV ICT	BR 117/16 dt.19-06-2017	100	30-Mar-24	Satara
	Total MVA			**100**		
c)	**Transformer Augumentations (O&M)**					
1	220kV Kolshet substation	1 x 50 MVA, 100/22kV T/F	BR 131/52 dt. 02.11.2018	50	19-May-23	Thane
2	132kV Satara (Deolai) substation	1x50MVA, 132/33kV T/F	BR 142/18 10.09.2020	50	23-Jun-23	CSN
3	132Kv Gondia substation	1 x 50 MVA, 132/33kV T/F	Dir/ 458 27.03.2023	50	01-May-23	Gondia
4	132kV Washim substation	1 x25 MVA, 132/33kV T/F	CMD/MSETC L/542 dt. 05.07.2021	25	18-Sep-23	Washim
5	132kV Risod substation	1x25 MVA, 132/33kV T/F	CMD/MSETC L/542 dt.05.07.2021	25	23-Nov-23	Washim
6	132kV Harsool substation	1x50MVA, 132/33kV T/F	BR 142/18 dt 10.09.2020	50	23-Nov-23	CSN
7	400kV Walunj	1x50MVA, 220/33kV T/F	CMD/870 dt. 04/01/2021	50	30-Nov-23	CSN
8	400kV Babhleshwar substation	3x167MVA, 440/220/33kV ICT	BR 138/07 dt. 18/09/2019	500	28-Feb-24	Ahmednagar
9	132/33kV Umarkhed substation	1x25MVA, 132/33kV T/F	Dir (OP)-1030 dt. 02/05/2022	25	29-Feb-24	Yawatmal
10	132kV Morgaon Arjuni substation	1x25MVA, 132/33kV T/F	149/06 dt. 02/09/2021	25	26-Mar-24	Bhandara
11	110kV Neral substation	1x25 MVA, 110/22kV T/F	142/16 dt.10.09.2020	25	24-Mar-24	Raigad
12	400kV Kharghar substation	1 X 50MVA, 220/33kV T/F	BR 131/52 dt. 02.11.2018	50	15-Mar-24	Raigad
13	220kV Nanded City substation	1x50MVA, 220/22kV T/F	BR 130/07 dt.27.08.2018	50	29-Mar-24	Pune
14	132kV Motala substation	1x25 MVA, 132/33kV T/F	Dir(OPS)/2270 dt.24.11.2021	25	28-Mar-24	Akola
15	132kV Sanaswadi substation	1x50 MVA, 132/22kV T/F	BR 142/15 dt. 10.09.2020	50	22-Mar-24	Pune
	Total MVA			**1050**		

SN	Substation & Scope	Scope	MBR	MVA/ MVAR	Date (COD)	Districts
d)	**Transformer Replacements**					
1	132 kV Indapur Substation	1 X (50-25) MVA,132/33 kV TF	108/18 02.06.16	25	03-Oct-23	Solapur
2	132kV Yawat substation	1x(50-25), 132/33kV T/F	Dir(OP)/2685 Dt:29.12.2015	25	28-Nov-23	Solapur
3	220kV Boisar-II substation	1 X (200-150) MVA, 220/132kV ICT	BR.139/18 dt.12.12.2019	50	09-Feb-24	Palghar
4	220kV Pandharpur substation	1 X (200-100) MVA 220/132kV ICT	139/17 dt. 12.12.2019	100	20-Mar-24	Solapur
	Total MVA			**200**		
e)	**Bus Reactor**					
1	400 KV, 125 MVAr bus shunt reactor at 400 KV Akola S/s	400 KV, 125 MVAr bus shunt reactor	BR 112/21 dt. 17.11.2016	125	27-Apr-23	Akola
2	400 KV, 125 MVAr bus shunt reactor at 400 KV Nanded (Kumbhargaon) S/s	400 KV, 125 MVAr bus shunt reactor	BR 112/ 21 dt. 17.11.2016	125	12-May-23	Nanded
	Total MVAR			**250**		
II)	**ORC**					
a)	**New Substations**					
1	132kV Chudawa TSS	Only bays	CMD-2018 Dt.03.06.2019	0	15-Jun-23	Nanded
2	132kV Kumbhephal TSS	Only bays	CMD-2018 Dt.03.06.2019	0	20-Jun-23	CSN
3	132Kv Jalna TSS	1x 132kV bays	CMD-2018 Dt.03.06.2019	0	24-Aug-23	Jalna
4	132kV Vadgaon Nila TSS	132kV Bays-2 nos	CMD-378 Dt.24.07.2020	0	10-Aug-23	Parbhani
5	132kV Himayatnagar TSS	132kV Bay	Dir(proj)/34 dt. 01.02.21	0	10-Aug-23	Nanded
6	132kV Igatpuri TSS	2 x 132kV Bay	CMD-156 dt. 12.02.2018	0	23-Sep-23	Nashik
7	110kV Salgare TSS	2x132 kV Bay	CMD-1894 dt. 09.05.2019	0	13-Mar-24	Sangali
8	132kV Mukutban TSS	Only bays	CMD-248 dt. dt. 19.03.2021	0	03-Mar-24	Yawatmal
	Total			**0**		
	Grand Total MVA			**1900**		

Annexure-II

EHV Transmission lines commissioned during the F.Y. 2023-24

SN	Line Name	MBR	Type	Zone	Ckm	COD
I	**MSETCL**					
1	132KV Single circuit Parvati- Kothrud underground cable.	BR 117/14 dt. 19-06-2017	U/G cable	Pune	3.525	31-May-23
2	220kV Wani- Pandharkawada D/C line (Pkg-1)	BR 120/06 dt. 14-09-2017	D/C D/C	Amravati	65	30-May-23
3	Reorientation work 2nd circuit of 132kV Sindewahi-Brahmpuri SCDC line.	CMD-1138 dtd.29.09.2016.	S/C D/C	Nagpur	0.131	05-Jun-23
4	220KV LILO on Uran-Kharghar line at Ulwe Node SS through EHV cable.	BR 126/25 dt . 23.02.2018	LILO	Washi	0	10-Jul-23
5	132KV Kharda-Ashti DC line (GEC-I)	BR 98/08, dtd. 16-03-2015	D/C	CSN	91.2	07-Sep-23
6	220KV DC Kalmeshwar-Warud (Phase I & II)	BR 34/04 dt. 04-10-2008	D/C D/C	Amravati	52.8	31-Oct-23
7	220kV Deoli -Ghatodi upto Yawatmal LILO point.	BR 33/07 dt. 11-09-2008	D/C	Amravati	98.8	07-Oct-23
8	132kV Rahuri-Ahmednagar MIDC line (upto ISMT LILO point)(GEC line)	BR 98/08 dt 16.03.2015	D/C	Nashik	51.4	23-Nov-23
9	220 kV DC line from 400 kV Jejuri Substation to location no. 28 of existing 220 kV Jejuri-Lonand ckt.	BR 115/22 dtd. 20.04.2017	LILO	Pune	14.4	30-Dec-23
10	LILO on 132 kV Bhoom-Paranda at 132kV Ida substation(Tap line).	BR/C-01 2022-23 dtd 14.04.2022	LILO	CSN	0.736	29-Dec-23
11	Second circuit stringing of 132kV Kinwat-Himayatnagar line.	BR	S/C	CSN	50.4	23-Dec-23
12	LILO on 132kV Ambad- Ghansawangi line at 132kV Tirthpuri substation.	BR 145/11 dt. 22.01.2021	LILO	CSN	14.306	08-Jan-24
13	220kV LILO on Kathapur- Lonikand -I line at 220kV Khed City.	BR 128/22 dt 21.04.2018	LILO	Pune	11.12	22-Feb-24
14	2nd source to Ahmednagar MIDC substation from 220kV Sonewadi substation Gantry to existing loc 13 of 132kV Sonewadi-Ahmednagar MIDC line.	CMD/3246 dt.04.11.2019	S/C	Nashik	0.962	04-Feb-24
15	220 kV DC line from 400 kV Kumbhargaon (Nanded) - Kurunda - Pkg A (Loc 1 to 112)	BR 115/21, dtd. 20-04-2017	D/C D/C	CSN	66.6	20-Mar-24
16	LILO on 132KV Narangwadi-Omerga line for 132 kv Samudral substation (one circuit)	BR/C-02/2022-23 by circulation dtd. 14-04-20222	LILO	CSN	0.83	07-Mar-24
17	220 kV DC Kalmeshwar-Warud (Phase IV & V)	BR 34/04, dtd. 04-10-2008	D/C D/C	Amravati	84	26-Mar-24
18	220/110kV Peth substation to 110kV Borgaon S/s	117/16 dt. 19-06-2017	S/C D/C	Karad	9.95	30-Mar-24
19	220kV Wani Pandharkawda DC line phase II	BR 120/06 dt. 14-09-2017	D/C	Amravati	51	27-Mar-24
20	LILO on 132 kV Kothrud- Phursungi line for 132kV Bibwewadi Substation	BR 136/24 dt 29.07.2019	LILO	Pune	1.2	29-Mar-24
21	220kV Umred - Nagbhid DCDC line Part-I (Umred SS to loc no 95).	BR 116/11 dt. 18-05-2017	D/C D/C	Nagpur	52.686	28-Mar-24
	Total Ckm				**721.05**	
II)	**ORC**					
22	132kV LILO on Sterlite- Hyosung EHV cable line at M/s. Inox Air Products Pvt Ltd.	CMD/MSETC L/602 dtd 22.07.2021	U/G cable	CSN	0.8	26-Apr-23
23	132 KV SCDC line from 132 KV Purna S/s to 132 KV Chudawa TSS (Balance work Loc 54 to TSS)	CMD-2018 Dt.03.06.2019	S/C D/C	CSN	0.25	15-Jun-23
24	132 KV S/C underground cable from 220 KV Shendra MIDC S/s to 132 KV Kumbhephal TSS.	CMD-2018 Dt.03.06.2019	U/G cable	CSN	1.2	20-Jun-23
25	132 kV SCDC line from 220 kV Narangwadi S/S to developers site, M/s. Suyog Urja Pvt. Ltd.	CMD-1095 dt.03.11.2022	S/C D/C	CSN	18.43	07-Jun-23

SN	Line Name	MBR	Type	Zone	Ckm	COD
26	132kV Himayatnagar SS to Himayatnagar TSS SCDC line.	Dir (proj)/34 dt. 01.02.21	S/C D/C	CSN	1.5	26-Jul-23
27	132 KV SCDC line from 132 KV Badnapur S/s to Jalna TSS.	CMD-2018 Dt.03.06.2019	S/C D/C	CSN	26.6	24-Aug-23
28	132 kV LILO on 132 kV Gangakhed-Sonpeth line at 132 kV Vadgaon Nila TSS	CMD-378 Dt.24.07.2020.	LILO	CSN	8.8	10-Aug-23
29	132kV DC underground cable from 132kV Ganeshkhind substation to 132kV Rangehill RSS (Mahametro) circuit -I.	PS/2085 dt 23.02.2018	U/G cable	Pune	3.43	30-Aug-23
30	132 KV Igatpuri to Igatpuri TSS DC line	CMD-156 dt.12.02.2018	D/C	Nashik	9.784	23-Sep-23
31	132kV LILO on Tamsa- Umarkhed line at 132kV Subhash Sugar Co-generation plant	BR	LILO	CSN	3.938	26-Oct-23
32	132kV Kaulewada to Dhapewada LIS stage -II underground cable.	Dir(Projects)/203 dt 01.02.2020	U/G cable	Nagpur	0.489	22-Nov-23
33	220kV SCDC line from 220kV Phaltan MIDC to 220kV Mol- Manjarwadi Solar Project of M/s. T.S.Wind Farm Developer.	BR.	S/C D/C	Karad	20	19-Jan-24
34	132 KV SCDC line from 110 KV Kavathe Mahankal S/s to 110 KV Salagare TSS.	CMD-1894 Dt.09.05.2019	S/C D/C	Karad	12.02	13-Mar-24
35	132 kV Pandharkawada S/s to 132 kV Mukutban TSS line	CMD-248 dt. 19-03-2021	S/C D/C	Amravati	53	03-Mar-24
36	132 kV SCDC line from 220kv Jalkot to Solar Power project bt Shri. Maruti Wind Park Private Ltd. at Malhipparga, Tq Jalkot, Dist. Nanded	BR	S/C D/C	CSN	5.139	11-Mar-24
	Total Ckm				**165.38**	
	Grand Total Ckm				**886.43**	

Annexure-III

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
Prakashganga, Plot No. C-19,
E Block Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us, the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The verification/ examination of documents, books, papers, minute books, forms, returns is on the basis of documents/ information/ declarations given during the course of Audit.

As sent in email, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; ***(not applicable as the Company is Public Unlisted Company);***

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **were not applicable during the audit period as the Company is Unlisted Public Company: -**

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] which is now The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

(vi) In respect of other laws specifically applicable to the Company, the below-mentioned other law is specifically applicable to the Company:

Electricity Act, 2003

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India **(applicable with effect from 1st July, 2015 and 1st October, 2017).**

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

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

I further report that -

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

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

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

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

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

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

For A. Y. Sathe & Co.
Company Secretaries

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

UDIN: F002899F003269833
Peer Review Certificate no. 1585/2021

Place: Thane
Date: 05/12/2024

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

Annexure - I

To,
The Members,
MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
Prakashganga, Plot No. C-19,
E Block Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

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

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

For A. Y. Sathe & Co.
Company Secretaries

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

UDIN: F002899F003269833
Peer Review Certificate no. 1585/2021

Place: Thane
Date: 05/12/2024

For and on behalf of the Board of Directors

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director

Place : Mumbai
Date :17-01-2025

Annexure IV

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2024
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Transmission of Power	351-Electric Power Generation, Transmission and Distribution	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name	Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	MSEB Holding Company Limited	MSEB Holding Company Hongkong bank Bldg 3rd & 4th Floor Mahatma Gandhi Road Fort, Mumbai- 400001	U40100MH2005SGC153649	Holding	100%	Section 2(46)
2	Maharashtra Transmission Communication Infrastructure Limited	Prakashganga, Plot No. C-19, "E" Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	U64201MH2012PLC234316	Associate	49%	Section 2(6)
3	Jaigad PowerTransco Limited	JSW Centre Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	U40102MH2008PLC181433	Associate	26%	Section 2(6)

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

Note: As per Section 2(71) and 3(1)(a) of the Companies Act, 2013 read together the minimum number of members for forming a Public Company are SEVEN.
In the (f) Any other there are six individual shareholders who are holding shares on behalf of MSEBHCL i.e. the promoters. Therefore the entire shareholding is held by MSEBHCL and its represented six individuals (in their ex-officio capacities).

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2023)				No. of Shares held at the end of the year (As on 31-March-2024)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	N.A.	8984974673	8984974673	99.99	N.A.	8984974673	8984974673	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	N.A.	60	60	0.11	N.A.	60	60	0.11	-
Total shareholding of Promoter (A)	**N.A.**	**8984974733**	**8984974733**	**100%**	**N.A.**	**8984974733**	**8984974733**	**100%**	**NIL**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital -	-	-	-	-	-	-	-	-	
Funds									
f) Insurance -	-	-	-	-	-	-	-	-	
Companies									
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture -	-	-	-	-	-	-	-	-	
Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual - shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	
ii) Individual - shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public	-	-	-	-	-	-	-	-	-
Shareholding (B)=(B)(1) + (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**N.A.**	**8984974733**	**8984974733**	**100%**	**N.A.**	**8984974733**	**8984974733**	**100%**	**NIL**

B) Shareholding of Promoter-

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

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	8984974673	100	8984974673	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	No change	No change	No change	No change
	At the end of the year	8984974673	100	8984974673	100

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

E) Shareholding of Directors and Key Managerial Personnel:

1. Shri Dinesh T. Waghmare, Chairman & Managing Director

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	**10**	**Negligible**	**10**	**0**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons increase /decrease (e.g. allotment / transfer / bonus/ equity etc.): Shri Dinesh Waghmare ceased to be CMD w.e.f. 03.05.2023 and share were transferred to Dr.Sanjeev Kumar w.e.f. 03.05.2023	**10**	**Negligible**	**10**	**Negligible**
	At the end of the year -	**00**	**-**	**00**	**-**

2. Dr. Sanjeev Kumar, Chairman & Managing Director

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	-	-	-	-
	Date wise Increase / Decrease in Promoters (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri Dinesh Waghmare ceased to be CMD w.e.f. 03.05.2023 and share were transferred to Dr. Sanjeev Kumar w.e.f. 03.05.2023	10	Negligible	10	0
	At the end of the year -	10	Negligible	10	Negligible

3. Smt. Abha Shukla, Nominee Director

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for /decrease	-	-	-	-
	At the end of the year -	10	Negligible	10	Negligible

4. Shri Quadri Nasir Syed Mazhar , Whole-Time Director (Projects)

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	10	Negligible	10	0
	Date wise Increase / Decrease in Promoters allotment / transfer / bonus/ sweat equity etc.): Shri Quadri resigned from the post of Director(Projects) and additional charge was given to Shri Sunil Suryawanshi w.e.f. 10/10/2023	10	Negligible	10	Negligible
	At the end of the year -	-	-	-	-

5. Shri Sunil Suryawanshi, Whole-Time Director (Projects)(A/C)

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	-	-	-	-
	Date wise Increase / Decrease in Promoters	10	Negligible	10	0
	At the end of the year -	10	Negligible	10	Negligible

6. Shri Ashok Phalnikar, Whole-Time Director (Finance)

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

7. Shri Sandeep Kalantri, Whole-Time Director (Operations)(A/C)

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

8. Ms. Vineeta Shriwani, Company Secretary

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

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,83,652	-	-	4,83,652
ii) Interest due but not paid	2,323	-	-	2,323
iii) Interest accrued but not due				
Total (i+ii+iii)	4,85,975	-	-	4,85,975
Change in Indebtedness during the financial year				
* Addition	15,614	-	-	15,614
* Reduction	95,733	-	-	95,733
Net Change	-80,119	-	-	-80,119
Indebtedness at the end of the financial year				
i) Principal Amount	4,03,533	-	-	4,03,533
ii) Interest due but not paid	2,137	-	-	2,137
iii) Interest accrued but not due				
Total (i+ii+iii)	4,05,670	-	-	4,05,670

Note : Figures includes Ind AS adjustment

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(Amount in Rs.)**

SN	Particulars of Remuneration	Chairman and Managing Director		Whole Time Director				Total Amount
		Shri. Dinesh Waghmare (01.04.2023-02.05.2023)	Dr. Sanjeev Kumar (03.05.2023-31.03.2024)	Shri Ashok Phalnikar Dir(F) & CFO (01.04.2023-31.01.2024)	Shri Satish Chavan Dir(Op) (05.03.2024-31.03.2024)	Shri Quadri Nasir Syed Mazhar Dir(P) (01.04.2023-10.10.2023)	Shri Sugat Gamare Dir(HR) (01.04.2023-31.03.2024)	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,78,423	28,87,313	33,72,830	2,03,783	17,70,840	48,16,977	1,37,30,166
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Wquity	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-
	-as % of profit	-	-	-	-	-	-	-
	Others, specify…	-	-	-	-	-	-	-
5	Others, please specify Reimbursements-Book/Orderly/Ent.allow/Prof.Pursuit	1,06,048	4,54,468	5,59,162	1,74,514	4,12,555	8,21,466	25,28,213
	Total(A)	7,84,471	33,41,781	39,31,992	3,78,297	21,83,395	56,38,443	1,62,58,379

B. Remuneration to other directors

(Amount in Rs.)

SN	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors:					
	Fee for attending board and committee meetings – Rs.5000/- per Meeting	Shri. Vishwas Pathak 80,000				80,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	Smt. Trupti Mudholkar 40,000				40,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)					1,20,000
	Total Managerial Remuneration					1,63,78,379

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Ms. Vineeta Shriwani (01.04.2023 to 31.03.2024)	CFO	Total
1	Gross salary	NA		NA	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	28,74,152		
	(b) Value of perquisites u/s 17(2) Income--tax Act, 1961		6,51,626		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0		0
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify	-			
	Total		35,25,778		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director

Place : Mumbai
Date : 17-01-2025

Annexure V

Annual Report on Corporate Social Responsibility

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

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

The aims & objectives of this Policy are as under -

1.1 Improving socio-economic status of Persons who are residing in adjoining areas of Stations and Sub-stations of MSETCL.

1.2 Providing opportunities for sustainable improvement in the fields of income generation, skill development, health, education and such other fields.

1.3 To adopt a holistic approach to community development of Project Affected Areas and ensuring that the people of such areas improve or at least regain their previous standards of living.

1.4 Carrying out community development activities in a transparent and participative manner.

1.5 Ensuring participation and consultation with the local public representatives and setting up of institutional mechanisms for carrying out CSR activities in Project Affected Areas and Power station area.

1.6 Integrated growth of all stakeholders (Corporate & Society - communities, employees, consumers, environment, and all other members of the public sphere);

1.7 To minimize the difference of opinion between society and company through concentrating public issues under CSR;

1.8 To create a sensitivity between corporate & society toward social development and consider CSR as responsibility not charity to develop trust and cooperation within the wider stakeholder community;

1.9 High standard of authenticity, responsibility and accountability toward all stakeholders including employee, community, consumers, government etc.;

1.10 Promote Socio-economic development through community development initiatives;

1.11 To bring an attitudinal change in MSETCL employee and society about the idea/ perception of CSR;

1.12 The policy will create a frame work, procedure for assessment, implementation and monitoring of any activity under CSR.

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

Funding of CSR activities:

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

The composition of the CSR Committee.

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

Details of CSR Fund for the F.Y. 2023-24

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

Average Net Profit of the company for last three financial years (Rs. In Crores)	CSR Fund (2% of Average Net Profit) (Rs. In Crores)	Amount unspent, if any	Reason for not spending
1480.27	29.61	Nil	Nil

CSR Funds Sanctioned/ Spent during the F.Y. 2023-24 (Rs. In Crores)

SN	Project	(Rs. In Crores)
1	Construction of New School Building of Kendriya Prathmik Shala, Gadmudshingi, Tal. Karveer, Dist.-Kolahapur.	0.66
2	Financial assistance to the project run by Vivek Vyaspeeth, Pune at 36 Vasti in Vasai, Virar, Navi Mumbai, Meera Bhainder, Thane Area. (Abhyasica, Library, Center for Competitive Exam, Social Value Education).	0.40
3	Providing Computer Lab and Digital Classroom at Abhudaya Global Village, School, Nagpur run by Vikalpa Society.	0.75
4	Providing Dilesys Machine (3 Nos.) at Shri Guruji Rugnalay, Chhatrapati Chauk, Purna Road, Nanded (Received from Nandigram Vaidyakiya Sahakari Sanstha, Nanded	0.27
5	Work of Supply, Installation and Commissioning of Grid connected Solar Roof Top Panel along with all Accessories at Deekshabhoomi Smarak & its affiliated building under the premises of Dr. Ambedkar College, Deekshabhoomi, Nagpur.	0.22
6	Setting up 2 MW on Grid photo voltaic Solar Power Plant with DC optimized system at Indian Institute of Management (IIM), Nagpur. (2nd Phase)	4.5
7	Identifying hearing impaired children and making hearing aid available to 1000 individuals residing in the Pune and Mumbai Region as a part of 'Gifting of Sound' project of Suryodaya Foundation, Mumbai.	0.85
8	Financial assistance for the development of Sanjeevan Vridhashram & Nature Cure Centre through Sanjeevan Sociomedical Foundation, Nagpur [Project I]	0.15
9	Financial assistance to Bhonsala Military School, Nagpur through Central Hindu Military Education Society (CHMES), Nashik for expanding their horizon by establishing a CBSE School, a Civil Services Academy and Security Management Institute.	5.00
10	Financial assistance for establishing a second Catheterization Lab (Cath Lab) at Shri. Sant Acchyut Maharaj Heart Hospital, Mardi Road, Amravati through Sane Guruji Manav Seva Sangh, Amravati [Phase I]	6.00
11	Scientific Research on cow, cow based agriculture, cow products based health care, cow based economic, mass awareness, various activities to serve cow and construction of rural mall for selling cow based products through Go Vigyan Anusandhan Kendra, Nagpur (Phase II).	2.00
12	Providing Laptop, X'rox Machine, Interactive Digital Boards, Public Address System (Audio System) to Railway Men's Marathi Education Society's Railways Men's High School, Ajni, Nagpur.	0.08
13	Construction of Laboratory Building for S.J.J. Analytical Laboratories and Research Association on Plot No.28 at Ozar, Tal - Niphad, Dist - Nashik for testing of all types of food products such as Jam, Jelly, Spices, Milk & Milk products etc.	1.50
14	Construction of Sewanand School Building near TPS Koradi, Nagpur to be executed through MSPGCL.	0.25
15	Work of construction of Sewanand School Building near Thermal Power Station, Koradi, Nagpur (2nd Phase).	4.98
16	Work of construction of 100+ bedded Charitable Multi Specialty Hospital at Amravati through Jankalyan Seva Sanstha, Amravati.	2.00

For and on behalf of the Board of Directors

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director

Place : Mumbai
Date : 17-01-2025

Reply to the Statutory Auditors qualifications on the Audit Report for the financial year 2023-24
(Refer Basis for qualified opinion on Audit Report)

Annexure-VI

REPLIES TO THE STATUTORY AUDITOR OBSERVATIONS FOR THE STANDALONE FINANCIALS YEAR 2023-24		
Sr. No.	**Statutory Auditors Opinion**	**MSETCL's Reply**
	Report on the Audit of the Standalone Financial Statements	
	Qualified Opinion	
1	We have audited the accompanying standalone financial statements of Maharashtra State Electricity Transmission Company Limited ("the Company") which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.	Factual
2	In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.	Factual
	Basis for Qualified Opinion	
3 (a)	Other Income includes supervision fees amounting to Rs. 12,380.92 Lakhs. The Company recognises supervision fees on upfront basis instead of recognising the same over the period of the Outright Contracts, which is not in accordance with the provisions of Ind AS 115 "Revenue from Contracts with Customers". Accordingly, other income, Profit before tax and Retained Earnings are overstated and other liabilities are understated to such extent.	As per Para 35 of Ind AS 115 An entity transfers control of a goods or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts. Moreover, the supervision charges collected are of non refundable nature, hence the same are treated as Revenue Nature upfront.
(b)	Other Income includes income from the sale of scrap asset and sale of scrap inventory aggregating to Rs. 1,352.66 Lakhs. The entire selling price of the scrap asset / scrap inventory is credited to the respective accounts instead of recognising the profit/loss on such sale, which is not in accordance with the provisions of Ind AS 16 "Property, Plant and Equipment" and Ind AS 2 "Inventories"..	Necessary instructions have been given to Field Units to adhere proper accounting treatment while booking of profit/loss on sale of scrap/assets.

(c)	Current Liability include Goods Receipt/ Invoice Receipt balances amounting to Rs. 9,136.83 Lakhs, which are outstanding for a considerable period of time, even beyond 3 years as on March 31, 2024, due to delay in the processing of invoices. As these are temporary balances, accordingly, we are unable to comment on the completeness and accuracy of the trade payables/ liabilities.	These balances are mainly due to non submission of invoices/documents by Vendors for which treatment for clearance of GRIR balance would be done by concerned Field and CO Units accordingly.
(d)	In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipment's ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on electronic spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC regulations. As a result, several instances of charging excess depreciation on assets were noted.	The Company has appropriately done adjustment of deemed cost for PPE as on 01.04.2015.The consideration of net block as deemed cost is done as per guidance note on Ind AS Schedule II by ICAI read with Ind AS 101 and appropriate disclosures have been made in the financial statements. Depreciation as per Ind AS on amount as per orginal cost method or as per carrying cost method comes to the same figure, as in SAP-ERP depreciation will be calculated on the original amount, also the residual value of 10% as per MERC regulations has been considered in the SAP-ERP for each assets. Adjustment of Deemed Cost is only for disclosure purpose in the financial statements. Company cannot change its present fixed assets register and fixed assets schedule in the system.
	Further, in several cases the depreciation is manually calculated and provided at Head office for the assets located in Zone or Region for the reason of mismatches in dates of capitalization, critical spare items capitalization, etc. In the absence of complete data/ details of such instances, the combined impact of such erroneous depreciation is not ascertainable. In view of the above, we are unable to comment on the consequential impact on the depreciation expense and net carrying value of the PPE.	In respect to depreciation for assets whose date of commissioning is prior to April 2023, the same needs to be manually calculated and entered in SAP/ERP System. This is due to late receipt of Work Completion Report (WCR). However, procedures are being devised for the generation of WCR through SAP/ERP itself, which would eliminate the manual depreciation entry in future.
(e)	PPE amounts to Rs. 25,76,825.01 Lakhs (Gross block) as on March 31, 2024. The Company has not carried out the physical verification of the PPE during the year or in previous years and PPE Register does not provide all requisite details, due to which we are unable to comment on the existence of the PPE	In this respect, ED(Operations) vide Circular No 6885 Dt 27.09.2022 has provided guidelines for physical verification of PPE of MSETCL.
	Further, depreciation on PPE is to be calculated by Company in accordance with MERC Regulations, which stipulates stage-wise calculation. The accounting system of the Company does not provide detailed report to identify the stage of PPE, due to which we are unable to recompute depreciation. Accordingly, we are unable to comment on completeness and accuracy of depreciation amounting to Rs. 1,28,986.73 Lakhs and net carrying value of PPE.	The SAP/ERP system is already calculating depreciation in accordance with the MERC Regulations, which stipulates stagewise calculation i.e depreciation in SLM upto 70% and balance 20% in equally during the balance useful life. Necessary development is being initiated in SAP/ERP to generate such report which would provide more details for the stage of PPE in the Financials.
(f)	Title deeds and Documents are not available with the Company with respect to all Freehold Land included in PPE. Further, certain Leasehold Land are classified under freehold Land and vice versa. Accordingly, classification of Land into Freehold and Leasehold may not be appropriate, thereby impacting the calculation of Right of Use Assets and depreciation thereof.	Compilation of requisite documents of land/leasehold lands is in process at Civil Section of MSETCL. However, it would take time since the same is to be collected from various land authorities from various Zone Offices.

	Consequentially, accounting treatment is not in accordance with Ind AS 116 " Leases" in relation to the aforesaid. The impact, if any, of the same on the Standalone Financial Statements is currently not ascertainable.	
(g)	The Company is having transmission network level ranging from 66 KV to 765 KV. As informed to us, it was decided to abolish/eliminate 66 KV from the transmission network of the Company and most of the abolished and decommissioned sub-stations and lines at 66 KV level were handed over to MSEDCL. Further, remaining sub-stations and lines were to be handed over to MSEDCL or would be utilized by MSETCL for up-gradation work, if any. We were further informed that the Company is in discussion with technical team to conclude on modalities of de-recognition, disposal and for determining consideration for such transfer of Assets in accordance with Ind AS-16 " Property, Plant and Equipment" However, during the course of audit, no further action/ documentation in this regard was provided to us. Accordingly, gross block of PPE, accumulated depreciation and net carrying cost are overstated to the extent of Rs. 13,975.23 Lakhs, Rs. 10,770.30 Lakhs and Rs. 3,204.93 Lakhs, respectively. Further, the Company has not recognised amount receivable from MSEDCL amounting to Rs. 2,473.00 Lakhs and also not recognised differential amount on account of loss on transfer of PPE amounting to Rs. 731.93 Lakhs.	The 66KV lines and S/S are in operation, however, for ease of operation and maintenance , these assets have been entrusted to MSEDCL by handing over the said assets. Director (Operations) has issued guidelines vide Circular No 3533 Dt 12.05.2022 to field Units for the procedures to be followed for decommissioning of 66 KV Assets and booking of appropriate consideration from MSEDCL as Receivables in the Financial Statements.
(h)	Details in relation to "Assets not in use – held for sale" having net carrying value of Rs. 5,009.87 Lakhs as on March 31, 2024, were not made available to us. Further, such assets are carried at their carrying value instead of "lower of carrying value or net realizable value". This is not in accordance with the requirements of Ind AS 105 - "Non-current Assets Held for Sale and Discontinued Operations". The impact, if any, of the same on the Standalone Financial Statements and related disclosures is currently not ascertainable.	Trans O&M Section has issued guidelines for physical verification of assets is to be carried out to update the Fixed Asset Register. This activity would also cover the verification/reconciliation of Asset Not in use component.
(i)	Deposits on account of completed outright contracts are set off against Capital Work in Progress ("CWIP") giving rise to negative capital expenditure balances for which reconciliation is not made available. Accordingly, Assets under Construction ('AUC')/ CWIP in the Balance Sheet is understated to such extent. Further, there is no movement in some AUC line items since last more than three years. However, impairment assessment has not been performed by the Management of the Company with respect to the same in accordance with the requirements of Ind AS 36 - "Impairment of Assets". Accordingly, we are unable to comment on the consequential impact of the same on the Standalone Financial Statements.	Field Units has adjusted the CWIP for previous years in the current year. hence the capex during the year shows negative amounts. Necessary instructions have given to Field Units to reconcile the entries causing negative Capex in the Report. No movement in AUC line items is due to various issues like RoW, forest clearance, etc. Hence, there is no need for making provision of impairment of AUC.
(j)	The Company accepts outright contribution contracts against which it receives deposits from the relevant parties. Such deposits are not evaluated on annual basis and are not set off against the relevant balances outstanding under capital work in progress on evaluation / completion of the project. The balance outstanding against ORC deposit as on March 31, 2024 amount to Rs. 1,499.51 Lakhs. In certain cases, net amount is grouped under Other Miscellaneous Receipts (NON- GST) instead of other income. Accordingly, we are unable to comment on the completeness and accuracy of the said balances.	Necessary instructions have been issued to adjust the ORC deposit received against existing completed assets. The Proposed process of physical verification of PPE would help to identify the asset which is to be adjused against the ORC Deposit.

(k)	The Company had made a decision to dismantle certain tower foundations and towers constructed which are currently lying in CWIP amounting to Rs. 2,517 Lakhs. However, The Holding Company has not taken any action to write off or impair the said amount and has not provided for dismantling expenses which is not in accordance with Ind AS 16 " Property, Plant and Equipment".	This pertains to diversion of 400KV Babhaleshwar – Kudus line which was revised and revalidated for this line diversion. The proposal for write off of capex expenditure is under process. The actual accounting effect for write off of exact loss/expenditure will be carried out after finalisation of proposal.
(l)	The Company does not maintain details pertaining to the net realizable value (NRV) of its inventory. The inventories are valued at cost instead of being stated at lower of cost and NRV, which deviates from the accounting policy mentioned in Note No. 2.14 and the provisions of Ind AS 2 Inventories". The impact, if any, of such deviation on the Standalone Financial Statements is currently not ascertainable.	The Core business of MSETCL is construction and maintenance of substation and lines. The inventory procured is of specific nature and is not for sale in the market.
(m)	Certain assets like transformers and sub-station parts are sent for repair by zonal offices to vendors. In few zones, we observed that the records pertaining to such dispatch and its return including qualitative aspects of such repairs are not adequately maintained.	Trans O&M Section has directed to field offices that care should be taken while issuing work order to the repairing agencies as per the following guidelines: 1) Work order shall be issued by taking into account the existing work load of repairer and preferably the nearest agency. 2) Priority shall be given to those repairer who can deliver the repaired Transformers / ICTs within schedule time. 3) Allocation to repairer agency shall be consented from Corporate Office only.
	Further, these assets are classified under "Assets not in Use - Held for Sale" which is not in accordance with Ind AS 16 PPE. In the absence of such details, we are unable to comment on the impact, if any, thereof on the Standalone Financial Statements.	Sub-station Equipments /Transformers parts sent for repairs are removed from PPE to stop the charging of depreciation on such assets.
(n)	The trade receivables as on March 31, 2024 amounts to Rs. 2,86,730.70 Lakhs. We are unable to comment on the , accuracy of trade receivables balance on account of the following:	
i	The party-wise breakdown and ageing of trade receivables generated from the system are inaccurate, accordingly, we are unable to comment upon the accuracy of the amounts disclosed in Note 37 concerning the aging of trade receivables in the Standalone Financial Statements.	The details regarding ageing of trade receivables were provided in excel worksheets. The Company appropriates the money received from Distribution Utilities towards the clearance of old dues first, hence, the outstanding dues pertains to latest invoices. Accordingly, ageing analysis were provided during the course of audit.
ii	The Company does not make provisions for Expected Credit Loss ("ECL") on long outstanding balances, which is inconsistent with the requirements of Ind AS 109 “Financial Instruments”.	Considering the behaviorial pattern of customers in Trade Receivable in terms of payments made (especially MSEDCL , being sister concern ,who is the major paying party), MSETCL has not made the provision for Expected Credit Loss.
iii	Additionally, one of the parties is under Insolvency Resolution Process, wherein the Company has not provided for the credit loss on the outstanding receivables amounting to Rs. 10,282.90 Lakhs.	Receivables in respect to ECI-Shanghai Ltd are appearing in the Financials amounting to Rs 1141 lakhs which seems to be doubtful as the vendor is under Insolvency Resolution Process and may not

		materialise. This calls for Provision of loss . But there is payable balance of Rs 12,400 lakhs in terms of Risk & Cost Adjustment pertaining to ECI Shanghai ltd. Necessary adjustment would be done after appropriate reconciliation , hence Reserve for Doubtful Debts provision is not made.
iv	We were unable to obtain independent confirmations and unable to perform alternative procedures on the balances of trade receivables. Accordingly, we are unable to comment on their accuracy and valuation, as these balances may be subject to consequent reconciliation.	Vendors are requested to provide necessary balance confirmation to the Auditors as per procedures.
(o)	Statutory dues like TDS, Provident Fund and Profession Tax amounting to Rs. 2,920.60 Lakhs contains old liabilities which is subject to reconciliation. We are unable to comment upon the adjustments / settlements arising from such reconciliation.	Proper yearwise reconciliation is under process.
(p)	The short-term provisions include both provisions for expenses and provisions for tree/crop compensation, aggregating to Rs. 5,309.55 Lakhs. However, detailed listing and the underlying basis for these provisions are not available. Consequently, we are unable to comment on the completeness and accuracy of the said provisions. The potential impact, if any, on the Standalone Financial Statements is currently not ascertainable.	Trans O&M Section has issued guidelines to field units for closure of schemes by making provision of Tree/crop Compensation (upto Rs 1 crs).
(q)	Long term provisions consists of provision for capital works amounting to Rs. 12,573.57 lakhs for which detailed listing and basis of provision are not available. Accordingly, we are unable to comment on completeness and accuracy of the said provisions. The potential impact of the adjustments arising from review of the basis of these provisions, if any, on the Standalone Financial Statements is currently not ascertainable.	Necessary instructions have been issued to adjust the excess Outstanding Liability Provisions made during previous years against completed works.
(r)	The Company has collected security deposits amounting to Rs. 3,991.25 lakhs, which have remained outstanding for a period exceeding three years which is neither refunded to the respective parties nor transferred to other income in accordance with the Company's policy. Further the classification of the total balances outstanding against security deposit into current and non-current is not appropriate. Given that certain amounts have been outstanding for more than 365 days, the Company is not in compliance with the provisions of sections 73 to 76 of the Act.	Security Deposit collected can be adjusted as income only on completion of said scheme or to be refunded as per terms and conditions of the Contract.
(s)	Liquidated damages deducted and EMD received by the Company amounting to Rs. 3,440.85 Lakhs and Rs. 211.71 Lakhs respectively are outstanding for more than 3 years which are neither refunded to the respective parties nor transferred to other income (in accordance with the Company's policy). Further, the classification of the total balances outstanding against liquidated damages and EMD into current and non-current is not appropriate. Impact, if any, of the adjustment arising on account of not following the Company's policy, on the Standalone Financial Statements is currently not ascertainable.	Retention kept against liquidity damages are appropriately treated as income , if the competent autority passed the order with penalty for Liquidity Damages. Till that time , Liquidity Damages Retention is kept as outstanding liability in Financials. In context to EMD, the same are refunded , if acquired through SRM Module.
(t)	The Company has encountered differences resulting from price escalation due to the disengagement of vendor during the contract's tenure, and these differences are not appropriately identifiable. These adjustments are currently reflected in the "Risk and Cost Adjustment" ledger, with corresponding outstanding amounts in "Retention Money Receivable" ledger. However, detailed party-wise information and ageing of data related to these accounts are not available. Further the classification of the total balances outstanding against retention money into current and non- current is not appropriate. As a result, we are unable to comment on the existence and accuracy of these balances.	Retention against Risk & Cost Adjustments are kept for adjustment of excess capex incurred during completion of the Scheme. The Reconciliation is in process for adjustment in case of completed Schemes.

<table>
<tr><td>(u)</td><td colspan="3">The Company has received Government Grants earmarked for capital assets related to specific projects, with an outstanding balance as of March 31, 2024, amounting Rs. 27,726.94 Lakhs. These grants are deferred for recognition as revenue. However, detailed information regarding these grants, including asset specifications and the associated conditions that need to be fulfilled are not available. Consequently, we are unable to comment on the completeness and accuracy of these deferred amounts i.e., whether such deferment is in accordance with the stipulated schemes or the conditions, nor can we ascertain whether the accounting treatment is in accordance with the provisions of Ind AS 20 “Accounting for Government Grants and Disclosure of Government Assistance”. The potential impact, if any, on the Standalone Financial Statements is currently not ascertainable.</td><td>The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy. The Assets wise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not asset wise. MSETCL bifurcated the grant based on the cost of the assets.</td></tr>
<tr><td>(v)</td><td colspan="3">Contingent Liability as stated in Note no. 42 amount to Rs. 5,87,626.36. Lakhs. Further, an amount of Rs. 662.24 Lakhs under current liability and Rs. 11,942.07 Lakhs under Other Current Financial Assets is on account of certain compensation/ payments against the said cases. In the absence of detailed listing of cases, respective amounts, and status thereon, we are unable to comment on the completeness and accuracy of contingent Liability.</td><td>Necessary template has been developed in SAP/ERP System, wherein all the details will be made available for verification.</td></tr>
<tr><td>(w)</td><td colspan="3">We have not received certain details w.r.t the following balances:</td><td></td></tr>
<tr><td></td><td>Particulars</td><td>Amount (Rs in lakhs)</td><td>Remarks</td><td></td></tr>
<tr><td></td><td>Liability towards staff welfare Fund with Board</td><td>601.44</td><td>Listing and details not available. Impacts accuracy and completeness.</td><td>Necessary reconciliation is under process based on current status of liabilities. Procedures for writeback of old untracable balances will be submitted to Competent Authority for approval.</td></tr>
<tr><td></td><td>Sundry Creditors Payable Domestic (other than</td><td>2,357.13</td><td>Unexplained debit balance under Trade payables. Impacts accuracy.</td><td>Necessary reconciliation is under process based on current status of liabilities. Procedures for writeback of old untracable balances will be submitted to Competent Authority for approval.</td></tr>
<tr><td></td><td>Board of Trustees P.F. & Final Settlement</td><td>2,268.93</td><td>Listing and details not available. Impacts accuracy and completeness.</td><td>Necessary reconciliation of field units balance and CPF Section is under process. Necessary writeback would be initiated based on current status of liability.</td></tr>
<tr><td></td><td>Advances to Contractors /Suppliers - O&M</td><td>3,520.26</td><td>Unexplained credit balance under Advances. Impacts accuracy.</td><td>Necessary reconciliation is under process. Procedures for writeoff of old untracable balances will be submitted to Competent Authority for approval.</td></tr>
<tr><td></td><td>Capital Advance for Projects</td><td>1,106.76</td><td>Listing and details not available. Impacts completeness, accuracy and valuation.</td><td>Necessary reconciliation is under process. Procedures for writeoff of old untracable balances will be submitted to Competent Authority for approval.</td></tr>
<tr><td>(x)</td><td colspan="3">We have not received sufficient and appropriate audit evidence with regard to employee related payables amounting to Rs. 4,066.62 lakhs included in other current financial liability. Consequently, we are unable to comment on the existence, completeness and accuracy of these balances. The potential impact, if any, on the Standalone Financial Statements is currently not ascertainable.</td><td>Necessary reconciliation is under process. Procedures for writeoff of old untracable balances will be submitted to Competent Authority for approval.</td></tr>
<tr><td>(y)</td><td colspan="3">The Company has calculated Deferred Tax Asset/ Liability on the basis of books of account. We are unable to comment on the said amount as calculated which may undergo change due to consequential impact of the aforesaid qualification in the Basis for Qualification para from point 3 (a) to 3(x).</td><td>Deferred Tax Asset/Liability is computed on components of Profit & Loss statement which emerge for Timing Difference for Income Tax Computation. In terms of qualifications , necessary responses have been given in appropriate places.</td></tr>
</table>

4	We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.	Factual
	Information Other than the Standalone Financial Statements and Auditor's Report Thereon	
5	The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, but does not include the standalone financial statements and our auditor's report thereon.	Factual
6	Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.	Factual
7	In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in Director's Report have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether the other information is materially misstated with respect to this matter.	Factual
	Responsibilities of Management for the Standalone Financial Statements	
8	The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.	Factual

9	In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.	Factual
10	Those Board of Directors are also responsible for overseeing the Company's financial reporting process.	Factual
	Auditor's Responsibilities for the Audit of the Standalone Financial Statements	
11	Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.	Factual
	We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.	Appropriate Responses have been provide to concern matters
	Report on Other Legal and Regulatory Requirements	
12	As required by the "Directions and sub directions issued by office of the Principal Accountant General -III, Maharashtra in terms of section 143(5) of the Act, we give in the "Annexure B" a statement on the directions and sub-directions.	Appropriate Responses have been provide to concern matters
13	As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure C" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.	Appropriate Responses have been provide to concern matters
14	As required by Section 143(3) of the Act, we report that:	
(a)	We have sought and obtained, except for the possible effects of the matters described in the Basis for Qualified Opinion section above, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.	Factual
(b)	Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.	Factual
(c)	The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.	Factual
(d)	Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.	Factual
(e)	In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears form our examination of those books except for the matters stated in the paragraph (h) (vi) below on reporting under rule 11 (g).The reservation relating to the maintenance of accounts and other	Factual

	matters connected therewith are as stated in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g).	
(f)	In view of exemption given vide notification no.463(E) dated 5 June 2015, issued by the Ministry of Corporate Affairs , the Company being a Government company within the meaning of section 2(45) of the Act, provisions of section 164(2) of the Act pertaining to disqualification of Directors, are not applicable to the Company.	Factual
(g)	With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure D".	Appropriate Responses have been provide to concern matters
(h)	With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	Factual
i	Except as noted in para 3 (v) above, the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 42 to the standalone financial statements;	Factual
ii	The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;	Factual
iii	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	Factual
iv		
	(1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.	Factual
	(2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.	Factual
	(3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.	Factual
v	The Company has neither declared nor paid any dividend during the year.	Factual

vi	Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software(s). Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.	Factual
15	In view of exemption given vide notification no.463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of section 2(45) of the Act, provisions of section 197 of the Act pertaining to managerial remuneration, are not applicable to the Company.	Factual

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Statutory Auditor Opinion	Management Response
Auditor's Responsibilities for the Audit of the Standalone Financial Statements	
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:	
• Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.	Factual
• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.	Appropriate Responses have been provided to concern matters.
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.	Factual
• Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.	Factual
• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone1 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.	Factual
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.	Factual
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	Factual

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of the Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2024

[Referred to in paragraph 12 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Sr. No.	Directives / Sub Directives	Auditors Opinion	Management Response
Directions under sub-section (5) of section 143 of the Companies Act, 2013			
Our report/findings on directions and sub-direction of CAG should be read in conjunction with our statutory audit report of even date on the Standalone Financial Statements of the Company for the year ended 31 March 2024.			
1	**Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**	Yes, the Company has SAP system to process all the accounting transactions through IT system. During the course of audit, we noticed that the invoices generated by the profit centers are raised by State Transmission Utility (STU) and are fed into the system. Further, the Company does manual calculations with respect to unplanned depreciation, ageing adjustments, interest calculations on borrowings, amortization of premium on investments, deferment of grant, EIR calculation, apportionment of general establishment charges.	Invoices for Monthly Transmission Charges (MTC) are raised by STU to Distribution Licensees considering the arrears for outstanding amounts. In respect to depreciation for assets whose date of commissioning is prior to April 2022, the same needs to be manually calculated and entered in SAP/ERP System. This is due to late receipt of Work Completion Report (WCR) .However, procedures are being devised for the generation of WCR through SAP/ERP itself, which would eliminate the manual depreciation entry in future.
2	**Whether there is any restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender Company).**	There were no such instances during the year under audit.	Factual
3	**Whether funds (grants/subsidy etc.) received/receivable for the specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.**	Government Grants received by the Company towards capital assets for specific projects, outstanding as on March 31, 2024 amount to Rs. 27,726.94 Lakhs which are deferred for recognition as revenue. Details of such grants along with asset specifications, conditions to be satisfied are not made available to us. Further, the recognition of the deferment is not in accordance with the underlying scheme / conditions. (Refer Para 3 (u) of our Audit report of even date)	The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy in FY 2006-07 to FY 2008-09. The Assetswise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM

<table>
<tr><td></td><td></td><td></td><td>on lumpsum basis and not assetwise. MSETCL bifurcated the grant based on the cost of the assets.</td></tr>
<tr><td></td><td colspan="3">Sector specific Sub-directions under sub-section (5) of section 143 of the Companies Act, 2013</td></tr>
<tr><td>(i)</td><td>Whether there is appropriate classification of Inventory with value such as Scrap, Obsolete Material etc.</td><td>The following classification of Inventory has been made by the Company.
<table>
<tr><th>Description</th><th>Amount as at 31st March 2024 (Rs. In Lakhs)</th><th>Note no. of Financial Statements</th></tr>
<tr><td>Steel</td><td>801.67</td><td rowspan="10">Note no. 10 “Inventories” of financial statements</td></tr>
<tr><td>Transformers</td><td>21,121.01</td></tr>
<tr><td>Metering equipment & substation equipment</td><td>10,826.69</td></tr>
<tr><td>Cables & Conductors</td><td>8,837.28</td></tr>
<tr><td>Spares</td><td>1,140.87</td></tr>
<tr><td>Others</td><td>3,974.62</td></tr>
<tr><td>Loss due to Material pending investigation</td><td>162.65</td></tr>
<tr><td>MASA Stock</td><td>(114.34)</td></tr>
<tr><td>Obsolete materials stock (including scrap)</td><td>720.9</td></tr>
<tr><td>Provision for loss pending investigation</td><td>(1,089.78)</td></tr>
</table>
With respect to the valuation of inventory refer Para 3(i) of our Audit report of even date</td><td>Factual</td></tr>
<tr><td>(ii)</td><td>Negative balances under “Advances to Contract” may be analyzed and commented with reasons and impact on financial statements</td><td>List of negative balances under “Advances to Contract” as on 31st March 2024 along with balances is enclosed as Appendix 1. With respect to impact on the financial statements refer Para 3(w) of our Audit report of even date.</td><td>Appropriate Response given at relevant point</td></tr>
<tr><td>(iii)</td><td>Whether Profit / Loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company?</td><td>Yes, however impact, if any, on account of matters stated under basis of qualification under para 3 of Auditor’s Report to be considered.</td><td>Factual</td></tr>
<tr><td>(iv)</td><td>Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.</td><td>We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representations received from the Management the transmission network of the company is given in the table below:
<table>
<tr><th>Voltage Level</th><th>EHV Substation</th><th>Transformation Capacity (MVA)</th><th>EHV Lines (CKT KM.)</th><th>Reactive Power Compensation (MVAR)</th></tr>
<tr><td>765 KV</td><td>1</td><td>3,000</td><td>0</td><td>720</td></tr>
<tr><td>500KV HVDC</td><td>2</td><td>3,582</td><td>1,504</td><td>0</td></tr>
<tr><td>400KV</td><td>33</td><td>34,048</td><td>8,464</td><td>3,740</td></tr>
<tr><td>220KV</td><td>254</td><td>60,840</td><td>19,882</td><td>25</td></tr>
<tr><td>132KV</td><td>365</td><td>31,530</td><td>18,569</td><td>3,300</td></tr>
<tr><td>110KV</td><td>41</td><td>2,605</td><td>1,798</td><td>130</td></tr>
<tr><td>100KV</td><td>39</td><td>2,823</td><td>706</td><td>0</td></tr>
<tr><td>66KV</td><td>7</td><td>170</td><td>595</td><td>0</td></tr>
<tr><td>33/22/ 11 KV</td><td>0</td><td>0</td><td>0</td><td>2,598</td></tr>
</table></td><td>Factual</td></tr>
</table>

Prephase Capacitor Banks commissioned before 2015				2,271
Total	**742**	**1,38,598**	**51,518**	**12,784**

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

HVAC System (MERC Benchmark 98%)

Year	2023-24	2022-23
Availability	99.69%	99.65%

HVDC System (MERC Benchmark 95%)

Year	2023-24	2022-23
Availability	95.29%	95.34%

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

We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the information in this regard is furnished as under.

The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the FY 2023-24as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:

Intra State Transmission System (In. STS) Grid Loss for FY 2023-24	Energy Input Intra STS	Energy Output Intra STS	Transmission Loss
Month	**(In Million Units)**	**(In Million Units)**	**(In %)**
Apr-23	17035.64	16403.68	3.71%
May-23	17732.08	17101.52	3.56%
Jun-23	17103.57	16519.3	3.42%
Jul-23	14752.31	14273.89	3.24%
Aug-23	16105.7	15587.51	3.22%
Sep-23	15409.62	14903.89	3.28%
Oct-23	17625.07	17002.96	3.53%
Nov-23	16261.73	15745.6	3.17%
Dec-23	15643.98	15184.59	2.94%
Jan-24	16512.92	16043.28	2.84%
Feb-24	16209.95	15712.58	3.07%
Mar-24	17928.62	17352.53	3.21%
Total	**198321.19**	**191831.33**	**3.27%**

From perusal of the table above, it is evident that Transmission Losses incurred by MSETCL was 3.27% which is below the MERC's benchmark. The said loss in accounting parlance is to be termed as "Normal Loss" not requiring any separate accounting in the books of accounts.

(vi) Whether the assets have been constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the books of Accounts.

The Company has divided its field operations amongst seven different zones in the state of Maharashtra. The major activity of the company is 'transmission of power'. The Company also undertakes construction of small sub-stations, towers, plants etc., for the supply of power to other agencies on 'order specific basis'. Such works are identified in the company as 'ORC Works'. The Company charges 'Supervision Fees' over and above the expenditure

Remarks: Factual

<table>
<tr><td></td><td></td><td>incurred for executing such 'ORC Works', which gets recognized as the Company's revenue.</td><td></td></tr>
<tr><td></td><td></td><td>The ORC details location wise which are made available to us by the management are as follows:
<table>
<tr><th>Sr. No.</th><th>Zones</th><th>ORC works as at 01.04.23 (Nos.)</th><th>ORC works added during the year (Nos.)</th><th>ORC works completed during the year (Nos.)</th><th>Balance ORC works remaining as at 31.03.24 (Nos.)</th></tr>
<tr><td>1</td><td>Amravati</td><td>16</td><td>0</td><td>10</td><td>6</td></tr>
<tr><td>2</td><td>Aurangabad</td><td>12</td><td>7</td><td>5</td><td>14</td></tr>
<tr><td>3</td><td>Karad</td><td>7</td><td>2</td><td>4</td><td>5</td></tr>
<tr><td>4</td><td>Nagpur</td><td>24</td><td>18</td><td>2</td><td>40</td></tr>
<tr><td>5</td><td>Nasik</td><td>15</td><td>6</td><td>2</td><td>19</td></tr>
<tr><td>6</td><td>Pune</td><td>123</td><td>23</td><td>7</td><td>139</td></tr>
<tr><td>7</td><td>Vashi</td><td>70</td><td>8</td><td>3</td><td>75</td></tr>
<tr><td></td><td>Total</td><td>267</td><td>64</td><td>33</td><td>298</td></tr>
</table></td><td></td></tr>
<tr><td></td><td></td><td>During the year, outstanding balances of deposits taken from parties are Rs. 1,59,987.71 Lakhs (Previous Year: Rs 1,24,988.85 Lakhs) out of which deposits amounting to Rs.14,999.51 Lakhs are unreconciled and information for the same is not available with the Company. Further, the ultimate ownership of such assets is with the Company. The deposits collected from them is adjusted against the Assets constructed and a nominal value of Re. 1 is kept in the Asset Master for identification purposes.

Company also executes projects for evacuation of power in case of generation of energy from non-conventional sources. As per accounting policy 2.19(B), 50% of the cost of such power evacuation project is borne by the Company and balance 50% is to be reimbursed by Maharashtra Energy Development Agency (MEDA) to the respective private developer. In such cases also, there is no handover of the assets to the other agencies.

Execution of MEDA project is done in two ways. (i) Wherein the vendor gives the entire amount beforehand for execution of the project to the Company as ORC deposit and the Company after the execution of project reimburses 50% of the cost to the vendor and creates the asset of the same value and the remaining 50% is paid by MEDA to the vendor. (ii) Wherein the vendor itself executes the project and the Company subsequently pays 50% of the cost of project to the vendor and MEDA reimburses the remaining 50% to vendor. Complete details of such projects falling under MEDA grant are not readily available with the Company. As a result, whether Asset Capitalization of such MEDA projects are accurate or not cannot be commented upon. Due to which any amount falling under GL Code 123100 and 131010) with respect to MEDA Project cannot be commented upon.</td><td></td></tr>
<tr><td>(vii)</td><td>Examine whether the provisions of the Companies Act were followed w.r.t reporting and disclosures of CSR Activities.</td><td>Yes, Appropriate disclosure has been provided under note no 49 of financial statements .</td><td>Factual</td></tr>
<tr><td>(viii)</td><td>Whether the PSU's is working or inactive.</td><td>Yes, the PSU is working.</td><td></td></tr>
</table>

(ix)	**Items contained in the inspection report of CAG in previous year and remaining open till the date of Balance Sheet under report.**	Refer Appendix 2 (a),(b) & (c) to this report.	Appropriate Responses are given on relevant points in the Annexure.
(x)	**Other Matters**	1. The Company has to prepare Risk control Matrix and policies and procedures with respect to key areas and update the existing Risk Control Matrix.	MSETCL has initiated process for appointing an Expert Professional to guide the Company for the development / updation of internal control processes, which would exhibit the adequecy commensurating with the size of the Company and the nature of its business.
		2. The scope and coverage of internal audit should be enhanced.	Scope of Internal Auditor is being reframed to resolve any untouched matter.
		3. The Company should take positive actions to resolve qualifications.	Policy framing is under process for clerance of Old balances and other decisions from Competent Authority
		4. There has to be enhanced coordination between the zones and head office.	Half yearly Review Meeting would be conducted at Zonl Levels for clarifications needed to complete the Audit within stipulated time frame.

Appendix 1

Management Response

Necessary instructions have been given to Field Units to adhere proper accounting treatment for rectification of adverse balance in Vendor Accounts.

Vendor Code	Balance as at 31st March 2024	Vendor Code	Balance as at 31st March 2024	Vendor Code	Balance as at 31st March 2024
4000001261	-9,87,47,246.61	4000002857	-15,45,259.84	4000000294	-31,265.00
4000012317	-2,43,56,509.01	4000007876	-15,40,641.00	4000002775	-30,590.00
4000000112	-1,92,50,507.31	4000002952	-10,35,110.00	4000004504	-29,137.00
4000000399	-1,87,77,415.00	4000000140	-9,74,400.00	4000000330	-22,503.07
4000004511	-1,00,73,614.00	4000000088	-7,95,413.97	4000005316	-18,200.00
4000001260	-67,77,489.36	4000002446	-4,08,000.00	4000000711	-17,787.97
4000000011	-62,34,981.00	4000000043	-3,91,817.00	4000002851	-16,684.00
4000001895	-59,15,980.00	4000000234	-3,67,165.35	4000002849	-16,300.70
4000000052	-55,71,088.00	4000002390	-3,33,125.00	4000009651	-14,607.00
4000001067	-54,98,448.20	4000001259	-3,05,750.00	4000010117	-14,568.00
4000002487	-37,65,891.91	4000001080	-2,97,567.00	4000014814	-14,500.19
4000007599	-31,41,524.25	4000009209	-2,62,200.00	4000000727	-13,505.00
4000000391	-28,31,108.84	4000001042	-2,32,270.00	4000002782	-12,543.00
4000000667	-25,28,003.76	4000000001	-2,04,747.00	4000007429	-11,100.00
4000000441	-24,96,725.22	4000003173	-1,95,146.00	4000007596	-10,256.00
4000009775	-24,77,691.89	4000014171	-1,70,237.37	4000000279	-8,565.20
4000000154	-20,59,224.00	4000004022	-1,06,833.82	4000001755	-7,981.00
4000000031	-19,85,840.00	7000000481	-47,615.63	4000000305	-6,425.00
4000007864	-18,97,042.13	4000005346	-45,219.00	4000008587	-6,000.00
4000000276	-17,01,158.00	4000002669	-34,926.00	4000001771	-5,800.00
4000000298	-1,425.00	4000010062	-273	4000006898	-5,800.00
4000005868	-1,027.00	4000016313	-160	4000005602	-3,971.00
4000007760	-808.8	4000007014	-151.68	4000008132	-2,676.00
4000001522	-514.42	4000002633	-150.71	4000015768	-2,184.27
4000017028	-431.04	4000016141	-113.76	4000006072	-2,107.00
4000006884	-313.24	4000005317	-105	4000000829	-1,600.25
4000011450	-105	4000005797	-105	4000000294	-31,265.00
4000001261	-9,87,47,246.61	4000002857	-15,45,259.84	4000002775	-30,590.00
4000012317	-2,43,56,509.01	4000007876	-15,40,641.00	4000004504	-29,137.00
4000000112	-1,92,50,507.31	4000002952	-10,35,110.00	4000000330	-22,503.07
4000000399	-1,87,77,415.00	4000000140	-9,74,400.00	4000005316	-18,200.00
4000004511	-1,00,73,614.00	4000000088	-7,95,413.97	4000000711	-17,787.97
4000001260	-67,77,489.36	4000002446	-4,08,000.00	4000002851	-16,684.00
4000000011	-62,34,981.00	4000000043	-3,91,817.00	4000002849	-16,300.70
4000001895	-59,15,980.00	4000000234	-3,67,165.35	4000009651	-14,607.00
4000000052	-55,71,088.00	4000002390	-3,33,125.00	4000010117	-14,568.00
4000001067	-54,98,448.20	4000001259	-3,05,750.00	4000014814	-14,500.19
4000002487	-37,65,891.91	4000001080	-2,97,567.00	4000000727	-13,505.00
4000007599	-31,41,524.25	4000009209	-2,62,200.00	4000002782	-12,543.00
4000000391	-28,31,108.84	4000001042	-2,32,270.00		

Appendix 2 (a), (b) & (c)

Appendix 2 (a) - Items contained in the Inspection report of CAG for FY 2021-22 and remaining open as at 31 March 2024

Sr. No.	CAG's Comments	MSETCL's Response	Auditors' Remarks
A	**Comments on Profitability**		
	Statement of Profit & Loss		
	Revenue		
	Revenue from operations (Note 21) : Rs. 4,863.80 crore		
	Additional Transmission and regulatory charges- Rs. 112.12 crore		
1	This includes Rs.55.35 crore towards Additional Transmission charges receivable from Maharashtra state Electricity Distribution Company Limited (MSEDCL) for the period November 2020 to March 2021. This has resulted in overstatement of total Comprehensive income and understatement of opening Retained Earnings by Rs 55.35 crore	Additional Transmission Charges for FY 2020-21 were booked as income of FY 2021-22. In FY 2022-23, there is no impact of this transaction'.	
	Expenses		
	Employee Benefit expenses (Note 24): Rs 1,164.26 crore		
	Staff welfare expenses : Rs 49.55 crore		
2a	Above does not include claims Rs 4.60 crore received by the families of deceased employees (due to covid pandemic) in 2021-22 towards Ex gratia and Group Insurance	Reimbursement of death claim due to covid for FY 2020-21 were booked as expenses of FY 2021-22. In FY 2022-23, there is no impact of this transaction'.	This does not pertain to the year under audit.
2b	The above also does not include Rs. 0.09 crore being expenses for medical health checkup incurred for 250 employees of Company in March 2022. This has resulted in overstatement of Total Comprehensive Income and understatement of Provision (Note 20) under Current Lability by Rs 4.69 crores.	Payment of Medical Health checkup for FY 2020-21 were booked as expenses of FY 2021-22. In FY 2022-23, there is no impact of this transaction.	This does not pertain to the year under audit.
	Other expenses- (Note 26) Rs.403.15 crore		
	Rates and Taxes- Rs.16.72 crore		
3	This includes Rs. 0.99 crore towards property taxes for the period 2009-2010 to 2020-21 Accounting of property taxes for earlier years in current year resulted in understatement of Total Comprehensive Income and overstatement of opening Retained Earnings Rs 0.99 crore.	Payment of Property Tax period prior to FY 2020-21 were booked as expenses of FY 2021-22. In FY 2022-23, there is no impact of this transaction.	This does not pertain to the year under audit.
B	**Comments on Financial Position**		
	Balance Sheet		
	Assets		
	Non-current Assets		
	Property, Plant and Equipment (Note: 4.1): Rs. 15,812.02 crore		
1	The Company did not capitalize assets valued at Rs 4.11 crore being the claim towards the cost of quantity variations in respect of construction of 132 kv SCDC kankavali- kudal line along with end bay each at kankavali and kudal as per the disclosed Accounting Policies at Note No 2.6 . This was proposed and discussed in the 152nd Board meeting held on 29 December 2021 and later approved in 156th meeting of the Board held on 04.08.2022 (prior to approval to the Annual Accounts of the Company) This has resulted in understatement of Property, Plant and Equipment (PPE) (Note 4.1) and consequent understatement of Trade Payable under Current Liabilities (Note 18.2) by Rs 4.11 crore.	The order was awarded to M/s KPTL for Rs 97256063.48/- vide WO NoMSETCL/CO/CE/Tr. PROJ.EPC/LL2-A/11690 dt 27.08.2009. It is to mention that the Interim Quantity Variation (I-QV) was approved at 27.54% for amounting Rs 26787094/- Vide CO approvalMSETCL/CE/C	Issue is status quo. We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.

		O/PT/TKCII/Kankavali-Kudal/No 8564 dt 01.08.2017 .the bills were booked upto the IQV figures. scheme was commisioned as on 08.03.2022.It is to state that the capitalization figures were inclusive of IQV amounts .Further the Final QV for Rs.4.11 cr.(including I-QV of Rs.2.67 Cr.)was approved by Board of Directors in 156th meeting vide reference No. BR No.156/35 dtd.26.08.2022 however, budget enhancement proposal was approved&updated in SAP in Aug. 2023.Further the MIGO no 5000703572 for amount of Rs 13884138.12&MIRO No 5105610679/31.03.2024 was done in system .Due to the booking of bills after final QV, amount of WIP was capitalized as on 31.03.2024 for Rs 2296109.11/-.(CJ 888 NO 100283286 for Rs 1942862.13 & 100252356 for Rs 353246.98/-) except the amount of unused material amounting(tower material & nut bolt) for Rs 11921276/-same will be transferred to other project (but not for R&M works)as per actual requirement of material	
2	The Property, Plant and Equipment (PPE) do not include Rs 51.02 crore on 56 different completed / available for use /charged/commissioned works[1] prior to 31st March 2022. These works should have been capitalized in accordance with the disclosed Accounting Policies of the Company with regard to PPE (Note 2 (2.6)) and depreciation (Note 2.9) Non capitalisation of above resulted in understatement of Property, Plant and Equipment (Note: 4.1) and overstatement of Capital work in Progress (CWIP) (Note 4.2) by Rs 51.02 crore . This has also resulted in non charging of depreciation for the year to the extent of Rs 1.28 crore with corresponding overstatement of Total Comprehensive Income for the current year and overstatement of opening balance of Retained Earnings by Rs. 1.05 crore pertaining to the previous year		The management has passed the requisite entries during FY 2022-23. We have verified the same.

<table>
<tr><td></td><td colspan="4">1. Includes Rs.1.48 crore towards crop compensation, General Establishment Charges (GEC) and Interest During Construction (IDC) in respect one work, Rs.1.21 crore being GEC of one work, Rs.23.80 croes being the cost of one substation work which had to be capitalised as per circular No.8315 (Capex circular No.1) dated 31/05/2012 regarding capitalization of assets (in case of new substations, where the transfomers/ICTs gets charged, the Sub-station should be capitalized, though the scheme has not been completed.) and Rs.24.53 crore on 53 other different works.</td><td></td><td></td></tr>
<tr><td></td><td colspan="6">Current Assets</td></tr>
<tr><td></td><td colspan="6">Other Current financial Assets (Note 10.5) : Rs 51.29 crore</td></tr>
<tr><td></td><td colspan="6">Other receivable - Rs.7.31 crore</td></tr>
<tr><td>3</td><td colspan="4">Above does not include Rs 3.03 crore being short deposit by Maharashtra Rail Infrastructure Development Corp Ltd. for Outright Contribution work (ORC deposit work) (132 KV power supply of EHV level for traction substation at village Patansaongi). As against the total cost of Rs 12.80 crore ORC deposit work (cost inclusive of expenditure actually incurred and supervision charges, GST) executed by the Company as on 31 March 2022, it received deposit of only Rs 9.77 crore from ORC consumer. the Company creates Current Liability on receipt of deposit from ORC consumers and during execution of work, CWIP is debited and on completion of work, the CWIP is adjusted against the current liability created earlier on receipt of deposit.</td><td>The amount of Rs.3.03 crore is accounted as receivable from Rail Vikas Nigam Ltd. (RVNL) in this financial year 2022-23 vide document no.100179933 dt:-30.11.22.</td><td>The management has passed the requisite entries during FY 2022-23. We have verified the same.</td></tr>
<tr><td></td><td colspan="4">Non accounting of Rs 3.03 crore as receivable from ORC consumer resulted in understatement of Other Receivables under Other Current Financial Assets and understatement of Current Liabilities by Rs 3.03 crore.</td><td></td><td></td></tr>
<tr><td></td><td colspan="6">Equity and Liabilities</td></tr>
<tr><td></td><td colspan="6">Liabilities</td></tr>
<tr><td></td><td colspan="6">Non-current liabilities</td></tr>
<tr><td></td><td colspan="6">Financial Liabilities</td></tr>
<tr><td></td><td colspan="6">Other non-current financial liabilities (Note 14.2) : Rs 2,464.20 crore</td></tr>
<tr><td></td><td colspan="6">Deposit received from consumer under ORC schemes : Rs 1,231.46 crore.</td></tr>
<tr><td rowspan="6">4</td><td colspan="6">The above includes deposits received for ORC works, which have been completed as detailed in the below table :</td></tr>
<tr><td>Sr. No.[2]</td><td>Name of the work</td><td>Date of Completion</td><td>Amount (Rs in crore)</td><td></td><td></td></tr>
<tr><td>1</td><td>220 KV Kharbao TSS included under 220 KV Kamba Kharbao and Kolshet Kharbao lines</td><td>05.02.2022</td><td>7.02</td><td rowspan="4">As the relevant expenditure booking is still going on for these projects after commissioning, i.e. compensation etc., final expenditure will be adjusted against underlined deposit after completion of the scheme.</td><td rowspan="4">Issue is status quo. Based on our inquiry with the management we were informed that the said deposits will be adjusted on the completion of the project instead of FY 22-23. The concerned matter is covered in Para 3(j) under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2023-24</td></tr>
<tr><td>2</td><td>220 KV Tarapur 37 Boiser line Location</td><td>28.02.2022</td><td>0.83</td></tr>
<tr><td>3</td><td>220 KV Vasai 54-58 PGCIL line location</td><td>27.01.2020</td><td>0.37</td></tr>
<tr><td>4</td><td>Rerouting of 132 KV Dahanu (MIDC) - Boisar line between loc no 62 to 64 including work of rerouting of 132 KV dahanu (MIDC) - Boisar line between loc no 62 to 64.</td><td>26.03.2021 and 27.03.2021</td><td>1.62</td></tr>
</table>

<table>
<tr><td rowspan="4"></td><td>Sr. No.</td><td>Name of the work</td><td>Date of Completion</td><td>Amount (Rs in crore)</td><td rowspan="4"></td><td rowspan="4"></td></tr>
<tr><td>5</td><td>Shifting / Height raising of 220 KV DC Kharghar Top worth and Kharghar Panvel TSS line between loc no 646 to 649.</td><td>15.02.2019</td><td>0.87</td></tr>
<tr><td>6</td><td>Height raising of 220 KV S/C Umred - Top with Urja feeder at Loc No 19 to 23 executed for Maharashtra Rail Infrastructure Development Corp Ltd.</td><td>13.02.2022</td><td>1.26</td></tr>
<tr><td></td><td>Total</td><td></td><td>11.97</td></tr>
<tr><td></td><td colspan="4">Thus, non adjustment of above completed works from CWIP against the existing Current Liability, resulted in overstatement of Current Liabilities and overstatement of CWIP to the extent of Rs 11.97 crore.</td><td></td><td></td></tr>
<tr><td></td><td colspan="4">[2] Works at Sr No 1 to 5 amounting to Rs 10.71 crore was executed and charge/completed for Dedicated Freight Corridor Corporation of India Ltd., under ORC deposit work</td><td></td><td></td></tr>
</table>

Appendix 2 (b) - Items contained in the Inspection report of CAG for FY 2020-21 and remaining open as at 31 March 2024

Sr.No.	CAG's Comments	MSETCL's Current Reply	Auditors' Remarks
A	**Comments on Financial Position**		
	Balance Sheet		
1	**Property, Plant and Equipment (Note: 4.1) : Rs.16,224.71 Crore**		
(a)	The Company had handed over most of the 66 kV sub-stations and lines to M/s MSEDCL between 1989 and 2021, however, these assets were not removed from the fixed assets as mandatorily required under Ind AS 16. This has resulted in -	The Company was having transmission network level ranging from 66 KV to 765 KV. In order to standardize the transmission level throughout Maharashtra, it was decided to abolish/eliminate 66 KV from the transmission network of the Company. Most of the abolished and decommissioned sub-stations and lines at 66 KV level were handed over to M/s MSEDCL and remaining sub-stations and lines would be handed over to MSEDCL or will be utilized by MSETCL for up-gradation work, if any, in near future after ensuring arrangement for feeding the existing consumers.	The concerned matter is covered in Para 3(g) under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2023-24. As further Noticed, handing over of 66KV sub stations/ TL to MSEDCL is not supported or reflected by any written document or execution of transfer agreements
	1. Overstatement of gross block of fixed assets, accumulated depreciation and carrying cost to the extent of Rs. 140.24 Crore, Rs. 102.78 Crore and Rs. 37.46 Crore respectively.	With regard to the above facts the modalities of de-recognition, disposal and for determining consideration for such transfer of Assets of 66 KV level will be decided in consultation with technical team and necessary accounting entries will be passed accordingly in compliance with Ind AS-16.	
	2. Understatement of trade receivables from MSEDCL to the extent of Rs. 24.73 Crore.	Necessary policy framing for the treatment of 66KV Assets in the books of MSETCL is under process.	
	3. Provision for expected loss of Rs. 12.731 Crore towards impairment loss not charged to profit and loss account; consequently, profit for the year was overstated to the same extent.		
	4. Carrying cost of the 174.24 kms of dismantled lines amounting to Rs. 0.80 Crore was not recognized as loss resulting in overstatement of profit for the year to the extent of Rs. 0.80 Crore.		
(b)	This included unused assets with a gross block of Rs. 144.67 Crore, accumulated depreciation of Rs. 109.14 Crore and carrying cost of Rs. 35.53 Crore. The Company has not ascertained the indication of impairment of these assets. Loss on this account and consequent overstatement of profit could not be ascertained for want of details.	As per the details available in field units, the GL 222010 "Asset not in use" includes material/assets which are removed from Asset Register as the same are not in active use. This group consist of items which are sent for repair which may again be put to use after repairs and items of scrapable in nature which are to be disposed off after proper approval of the Competent Authority. These assets being not in active use are not offered for impairment test as items of scrapable nature would be disposed off with or without gain in the realizable value. The proper treatment can only be ascertained after the scraping procedure is completed.	The concerned matter is covered in Para 3(h) under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2023-24.

		MSETCL would initiate a process of physical verification of Fixed Assets which would appropriately bifurcate the items appearing under "Asset not in Use" head as Scrapable or Reusable. Necessary accounting treatment in the Books of Accounts would be done after the said activity.	
2	**Capital Work in Progress (Note 4.2) : Rs. 3,342.81 Crore**		
	The Company decided to dismantle 79 tower foundations and 69 towers constructed at a cost of Rs. 25.17 Crore in the Giant Metrewave Radio Telescope (GMRT) area of the National Centre for Radio Astrophysics (NCRA). As no future economic benefits can be derived from the same, cost of the towers should have been withdrawn from the WIP in terms Ind AS 16 and the Accounting Policy of the Company, which was not done.	1) With regard to 400KV Babhaleshwar – Kudus line, since the work of 79 foundations and 60 erections was executed by the agency, the above expenditure is booked and considered in the actual cost of Project. Since this had become an unidentified additional expense, considering this expenditure, the budget enhancement proposal was proposed and has got approved from Competent Authority. Further, considering the additional work of these abandoned towers, and their dismantling work, the quantity variation proposal was proposed and has got approved from Competent Authority. 2) As per the expert committee recommendation, the additional material required for diversion of line as per technical specifications given by expert committee, the extra item proposal was proposed and has got approved from Competent Authority. Thus, the Competent Authority has revised and revalidated the MBR 56/20 Dt.24.08.2010 considering all the additional expenses required for this line diversion and have approved the new MBR No. 146/21 Dtd.16.03.2021.	The concerned matter is covered in Para 3(k) under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2023-24. As further
	This has resulted in- a. Overstatement of Capital Work-in-progress to the extent of Rs. 25.17 crores. b. Understatement of expenses to the extent of Rs. 3.23 Crore being the irrecoverable cost of the civil foundation of towers and consequent overstatement of profits for the year to the extent of Rs. 3.23 Crore. c. Out of Rs. 21.94 Crore, cost of useable towers should have been taken into stock and the balance charged to profit and loss account. Financial impact on this account is not ascertainable for want of details.	The 60 Nos of towers which will be dismantled are to be reutilized to other locations (Vashi Zone and Nashik Zone). The cost of these towers are Rs.21.94 Cr. The work of dismantling is under progress and the process of requisite entries is being done in SAP accordingly. Proposal has been submitted by the Nashik Project Circle to CO for approval. However queries are raised by CO , which are in process.	

B	**Comments on Disclosures**		
	In response to the CAG Comments on the Standalone Financial Statements for the year 2019-20, the Company assured to pass necessary corrective entries during 2020-21. However, the following assurances were not complied with.		
	Decommissioning of transformers costing Rs.8.32 crore due to theft of copper in it by the repairing agency.	The Company is in the process of identifying and de-recognition of Assets given to M/s Aditya Vidyut Appliances for repair purpose.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
C	**Comments on Auditors' Report**		
	Under para 2.18 and 2.22 of the modified Opinion of the Auditors on the Standalone Financial Statements, the Auditors have modified on the non-furnishing of details/data (19 general ledgers) and non-conformation and reconciliation of the data (116 general ledgers) by the Company. The modified opinion of the Auditors has been given in general and non-specific terms by including a list of most of the important general ledger balances which have major financial impact on the financial statements. The modified opinion does not include specific observations on the financial activities of the Company and its impact on the financial statements. Thus, the members of the company and other stakeholders are not appraised of the modified opinion on many financial aspects of the standalone financial statements.	All the available data and supporting details were submitted to the Auditors for verification. However, there are several items of old nature whose supporting is not available in Accounting Units. Necessary decision for the write off/writeback of such old amounts would be done after due approval of Competent Authority.	Not Applicable as we are appointed as statutory auditors for the Financial Year 2022-23.

Appendix 2 (c) - Items contained in the Inspection report of CAG for prior to FY 2020-21 and remaining open as at 31 March 2024

Sr.No.	CAG's Comments	MSETCL's Current Reply	Auditors' Remarks
A	**Comment on Profitability**		
	Statement of Profit & Loss		
1	**Other Income (Note 22) :**		
(a)	This includes Rs. 3.81 Crores, being the supervision charges deposited by third parties in three circles for Outright Consumers works for which the works are not taken up/completed. This resulted in overstatement of Other Income and profit and understatement of Other Non-current Liabilities by Rs. 3.81 Crores.	As per Para 35 of Ind AS 115, an entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met: a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs, or b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, or. c) the entity's performance does not create an asset withan alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts.	The concerned matter is covered in Paragraph 3 (a) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.
(b)	This does not include Rs. 30.46 Crores being interest recoverable on mobilisation advances which should have been recognised.Non recognition is not in conformity with the accounting policy adopted by the Company. This resulted in understatement of other miscellaneous income and profit for the year by Rs. 30.46 Crores and understatement of Trade Receivables to that extent.	As per the accounting policy of the company disclosed under Note No 2.15 of the Standalone Financial Statements, interest income is accounted on accrual basis considering the certainty of the revenue. Further, the purpose of retention amount and bank guarantees with the Company is to secure performance of the contract and not to recover interest which is yet to be accepted by the agencies. With regard to the interest on mobilization advance given to contractors, the company has initiated the process to recover the same and its recognition as income in books of account.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
2	**Other Expenses (Note 26) : Security Expenses**		
	This does not include Rs. 6.39 Crores being applicable GST on security expenses for the year. Non provision for GST resulted in understatement of expenses and overstatement of profits by Rs.6.39 Crores and understatement of Other Current Financial Liabilities to the extent of Rs.14.08 Crores (including Rs. 7.69 Crores GST liability for the previous years).	As per Circular No. 89/7/2006- ST Dated: 18th December, 2006, sovereign/public authorities (i.e. an agency constituted/set up by government) perform certain functions/ duties, which are statutory in nature. These functions are performed in terms of specific responsibility assigned to them under the law in force. The activities performed by the sovereign/public authorities under the provision of law are in the nature of statutory obligations which are to be fulfilled in accordance with law. Such activity is purely in public interest and it is undertaken as mandatory and statutory function. These are not in the nature of service to any particular individual for any consideration. Therefore, such an activity performed by a	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.

		sovereign/public authority under the provisions of law does not constitute provision of taxable service to a person and, therefore, no service tax is leviable on such activities. Considering the above facts security expenses being charged by SGB to MSETCL is exclusive of GST.	
3	**Other Expenses (Note 26) : Miscellaneous Losses and Provisions**		
	This does not include provision on disputed transmission charges of Rs.49.68 crore already recognised but pending before the Appellate Tribunal for Electricity. The transmission licensee (M/s Sai Wardha Power Generation Ltd.) is also under the Corporate Insolvency Resolution Process. Non-Provision on the disputed claim is not in conformity with Ind AS 18 - Revenue resulting in understatement of other expenses and over statement of trade receivables with consequent overstatement of profit for the year by Rs.49.68 crore.	There is a valid Bulk Power Transmission Agreement (BPTA) with M/s SWPL in pursuance of which invoices has been raised for transmission charges for the allocated capacity of 130/135 MW coupled with favourable decision of Hon'ble MERC in the instant matter. Though the matter is further pending with APTEL for its final decision, NCLT has initiated corporate insolvency proceeding against M/s SWPL under Insolvency and Bankruptcy Code 2016 (IBC), wherein IRP has been appointed and admitted a claim of Rs. 34.00 crore against the total claim lodged by the Company of Rs. 119.51 crore keeping the balance amount of claim as contingent claim. It is noteworthy that the IRP has not rejected any amount of claim made by the company. Recently, NCLT has issued an order dated 17/10/2019 in the matter of IBC proceedings against M/s SWPL approving the Resolution plan submitted by the Resolution applicant wherein the admitted and contingent claim of operational creditors has been proposed to be paid in the phased manner within a period of 24 months as per the Resolution plan incorporated in the said order. In view of above, the provision for doubtful debts (Rs.8,851.41 Lakhs) made in the books of accounts for the said receivable amount seems to be sufficient and hence no further provision has been made in the F.Y. 2021-22. MSETCL received Rs. 15 lakhs vide NCLT order no. 275/7/HDB/2019 dated 17/10/2019 as against the company claim of Rs. 119.51 crore. Further, MSETCL filed for appeal in NCLAT. NCLAT dismissed the appeal in Order No. 1401/2019 dated 03/02/2020. MSETCL has filed for appeal in SC to challenge NCLAT order.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
B	**Comments on Financial Position**		
	Balance Sheet		
1	**Capital Work-in –Progress (Note 4.2) :**		
(a)	This includes Rs. 2.70 Crores being deposits taken from parties for construction of bays which had been allotted during the year. However, the amount was not adjusted from deposits. This resulted in overstatement of Other Non-current Financial Liabilities (Other deposits) and overstatement of other non-current assets by Rs. 2.70 Crores.	The reconciliation is in process and the deposit will be knocked off against the assets in FY 2022-23.	The concerned matter is covered in Paragraph 3 (j) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.

<table>
<tr>
<td>(b)</td>
<td>This includes Rs. 217.00 Lakhs incurred by the Company towards the security charges at work site which was recoverable from the Contractors. This has resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables to the extent of Rs. 217.00 Lakhs.</td>
<td>MSETCL had awarded the work of 220KV Nandgaon Peth Substation ("S/Stn") and 220KV Anjangaon S/Stn along with its associated lines in Amravati District and 220 KV Malegaon S/St and 132 KV Jalgaon Jamod S/Stn along with their associated lines in Buldhana District to M/s ECI -Shanghai JV. However, due to non-performance of M/s ECI-Shanghai JV, MSETCL had terminated their EPC contract vide letter MSETCL/ED(P)/EPC/6243 dated 08/05/12.

In order to safeguard the materials and assets w.r.t. the above-mentioned projects lying at the above-mentioned sites and to avoid the possibility of theft, the competent authority decided to provide MSETCL's security at those sites. Thus, the expenditure so incurred on providing services of security guards during the period 2011-12 to March 2017 was accounted for under Capital Work in Progress.

MSETCL, in turn has awarded the contract on 'risk and cost basis to other contractors for completion of above-mentioned schemes of M/s ECI Shanghai. The company will certainly initiate recovery of such excess charges incurred from the erring contractor i.e., M/s ECI Shanghai. There are no future claims expected from M/s ECI, so option of encashment of BG is being explored. However, the matter is subjudised. The decision will be taken subject to final decision of the Court.</td>
<td>Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.</td>
</tr>
<tr>
<td>(c)</td>
<td>This also includes Rs. 159.42 Lakhs being ineligible price variation paid to the contractors on the tax element included in the price of the materials which resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables by Rs. 159.42 Lakhs. Excess payment of price variation of Rs. 31.20 Lakhs due to incorrect basis price.</td>
<td>Recovery of excess PV amounting to Rs. 169.73 Lakhs was recovered from the following contractors :
(Rs. In Lakhs)<table><tr><th>Name of agency</th><th>Excess PV Recovery</th></tr><tr><td>M/s ECI</td><td>23.53</td></tr><tr><td>M/s KPTL</td><td>44.90</td></tr><tr><td>M/s KEC</td><td>77.09</td></tr><tr><td>M/s JSL</td><td>8.90</td></tr><tr><td>M/s GE (Alstom)</td><td>15.31</td></tr><tr><td>Total</td><td>169.73</td></tr></table>Excess price variations paid to M/s. ABB in r/o 132KV Karanja SS. EHV Project division Akola has deducted to the tune of Rs. 10.04 Lakhs vide Document no. 100161751 dated 18 December 2022.</td>
<td>Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.</td>
</tr>
<tr>
<td>2</td>
<td colspan="3">Trade Receivables (Note 10.2):</td>
</tr>
<tr>
<td></td>
<td>This does not include the differential amount of ORC receivable from Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL"), resulting in understatement of trade receivables and overstatement of ORC work-in-progress by Rs. 18.68 Crores.</td>
<td>As far as the matter of accounting based on demand notice is concerned towards interest income of Rs. 12.63 Crores, the company does not recognize any income on the basis of issuance of demand notice as is evidenced from the accounting policy adopted by the company as per Note No. 2.15 to the Standalone Financial Statements. The issue of demand notice doesn't entail into accrual of income.

As also with regard to ORC deposit, the same is accounted on the basis of receipt of the same, as issuance of demand notice doesn't result in increase in receivable and depends whether the other party is agreeing to it.</td>
<td>Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.</td>
</tr>
</table>

3	**Other Equity (Note 13) - Reserves and Surplus - Retained Earnings**		
(b)	Central Electricity Regulatory commission (CERC) restricted (December 2017) yearly inter-state transmission charges of nine transmission assets at Rs. 5.99 Crores. Though the company recognized the decreed transmission charges of Rs. 5.99 Crores each during 2018-19 and 2019-20, the excess transmission charges already recognized during 2014-15 to 2017-18 amounting to Rs. 251.11 Crores was not derecognized. This has resulted in overstatement of retained earnings to the extent of Rs. 251.11 Crores with corresponding understatement of advance from customers under current liabilities to the same extent. Interest on Rs. 439.07 Crores (Rs. 251.11 Crores for 2014-17 and Rs. 187.96 Crores for 2018-20) was also not provided resulting in overstatement of retained earnings and understatement of advances from customers. Interest payable is not ascertainable for want of details from the Company.	As per CERC order in Petition No. 256/TT/2013 dated 18.05.2015 in which tariff for FY 2013-14 was Rs. 77.10 Crores (per year) which is revised by CERC order in Petition No. 173/TT/2016 dated 19.12.2017 for FY 2014-15 Rs. 5.99 Crores (per year). However even after revised order by CERC payment made by PGCIL was on the basis of earlier order till September 2019. After that there was no receipt by PGCIL. MSETCL is initiating the necessary reconciliation with PGCIL. MSETCL is filing a petition to CERC for the methodology to be adopted for the adjustment of excess Transmission Charges received. Balance reconciliation with PGCIL is in process.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
4	**Other Equity (Note no 13) : Reserves and Surplus**		
	This includes Rs 449.00 lakh being the cost of ORC works treated as Income during FY 2014-15. The Company assured to make necessary adjustment during FY 2016-17. The non-compliance of the assurance resulted in continuance of the overstatement of Reserves and Surplus and Fixed Assets to the extent of Rs 449.00 Lakhs with consequent effect on the depreciation and loss for the year.	The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	The concerned matter is covered in Paragraph 3 (j) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.

5	**Other Equity (Note 13): Special Reserve Fund : Rs. 139.39 Crores**		
	This includes Rs. 76.58 Crores appropriated from profits during 2013-14 and 2014-15 as per the provisions of MERC Regulations, 2005. Though the constitution of Special Reserve Fund (SRF) was repealed by the MERC (MYT) Regulation, 2011 the Company continued the appropriation during 2013-14 and 2014-15 (even though the new regulations were applicable to the company during this period) resulting in unauthorized appropriation to SRFs and understatement of Retained Earning to the extent of Rs. 76.58 Crores. Accumulated SRF of Rs. 139.39 Crores has also been lying since April 2015.	As per MERC Regulations 2005, out of the total amount of Efficiency gain/losses, 1/3rd was to be shared with the TSU, 1/3rd was to be retained as special reserve to be offset against the future losses due to controllable factors (if any) and the remaining 1/3rd is to be shared with MSETCL. Accordingly, MSETCL has appropriated the 1/3rd amount of efficiency gain as Special Reserve in the respective years where the said regulation was applicable. Further, MSETCL had asked for deferment from MERC MYT Regulation 2011, which was applicable from FY 2011-12 to FY 2012-13. Thus, MERC Regulation 2005 was made applicable to FY 2011-12 and FY 2012-13 also. Vide the Tariff Order in Case No 207 of 2014 dated 26 June 2015 MERC directed that the 1/3rd of the Efficiency gain for FY 2012-13 be appropriated to the Special Reserve during the true up of FY 2012-13. Accordingly, the shortfall on the special reserve accounts was provided during FY 2014-15. Thus, there was no violation of regulation and the amount provided for during FY 2013-14 and FY 2014-15 were the shortfall pertaining to FY 2011-12 and FY 2012-13 respectively. Furthermore, as per Regulation 19.1(b) the special reserve is to be offset against the future losses due to controllable factors (if any). The O&M Expenses claimed by MSETCL are below the normative and thus there has been no loss till the last true up order hence the special reserve could not be utilised by MSETCL in the past years. If any such Efficiency loss arises in future, then the special reserve will be utilised in future. However, As per MERC Order Dt 30.03.2023, it has adjusted the said amount of Special Reserve while computing the ARR of MSETCL for FY 2023-24 & 2024-25. Hence, the Special Reserve would be adjusted against the MTC receivables in FY 2023-24.	This adjustment pertains to the year earlier than period under audit. We have inquired with the management and have been informed that the transaction is given effect to in the earlier years. We are unable to comment as we are appointed as statutory auditors for the financial year 2023-24.
6	**Other Non-Current Financial Liabilities (Note : 14.2)**		
(a)	This includes Rs 400.00 Lakhs being deposit for construction of bays under ORC works against which the existing bays were allotted to the parties. As such, the deposits of Rs. 400 Lakhs should have been set off by transferring the same to Other Income. This has resulted in understatement of Other Income and Overstatement of Non-current liabilities and loss to the extent of Rs. 400 Lakhs.	In order to execute ORC works, deposits are taken from the parties for whom company performs/executes such ORC works. Aurangabad EHV O&M Circle has executed 7 ORC works with Rs. 221 Lakhs including supervision charges and Nagpur O&M Circle had completed 8 ORC works worth Rs. 237 Lakhs. Work Completion Report (WCR) against all the ORC works executed were received in the month of November 2017. Necessary accounting entry will be passed when the assets will be identified in Fixed Asset Register in accordance with the guidelines issued in context to Ind AS Policy. MSETCL is in the process of carrying out physical verification of Fixed assets, on completion of the same, the identification of proper assets and its value for adjustment against the ORC deposit amount would be done.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.

(b)	In response to the Audit Comments for FY 2015-16, the Company assured to adjust the deposits pertaining to the completed ORC works amounting to Rs. 9,026.00 Lakhs during FY 2016-17 against Fixed Assets. The non-compliance of the assurance resulted in continuance of overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs. 9,026.00 Lakhs with consequent effect on the depreciation and the Loss for the year.	The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	The concerned matter is covered in Paragraph 3 (i) & (k) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.
(c)	This includes deposit of Rs. 45.09 Crores in respect of ORC works completed and commissioned during FY 2018-19. Non-adjustment of the deposits resulted in overstatement of deposits by Rs. 45.09 Crores and consequent overstatement of ORC work-in-progress under Capital Work-in-progress to that extent.	Three ORC works with capex expenditure amounting to Rs. 40.97 Crores have been capitalized by knocking off the deposit in FY 2018-19. Five ORC works having capex expenditure amounting to Rs. 4.12 Crores will be capitalized after finalizing QV / Final bills.	The concerned matter is covered in Paragraph 3 (i) & (k) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.
7	**Other current Financial Liabilities (Note : 18.3)**		
	This did not include Rs. 11.24 Crores being insurance premium charges recoverable from contractors and payable to Government of Maharashtra. Non-recovery of the same from the contractors has resulted in understatement of other current Financial Liabilities to the extent of Rs. 11.24 Crores with corresponding understatement of other current Assets to the same extent.	Necessary instructions are being issued to field Units to issue demand notes to the concerned Vendors for recovery of Insurance Charges. The same would also be adjusted against any amount of retentions withheld by MSETCL during the processing of RA Bills.	Issue is status quo. We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
8	**Other Current Liabilities (Note No.19) :**		
(a)	This does not include Rs. 13.06 Crores being non-assessment and non-recovery of the labour cess for the period July 2010 to March 2018 (Nashik Project Circle). This resulted in understatement of Other Receivables and Other Current Liabilities by Rs. 13.06 crores.	The labour cess is recovered and paid to the concerned authority in time. The balance amount would be recovered from the upcoming bills of the Vendors and the payment would be made immediately. Amount of Rs. 7.75 Crores has been recovered till date. The statement of the same is enclosed herewith. Further it is stated that Labour Cess of Rs.0.97 Crores could not be recovered on the Work Orders issued to M/s Areva T&D India Ltd as per Letter No. MSETCL/CO/F&A/9156 dated 03.12.2019 which is also enclosed herewith.	The matter in question is addressed in Paragraph 3 (y) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.

(b)	Goods and Service Tax (GST) is applicable to deposits received as consideration for the supply of goods or rendering services in terms of section 2(31) of the CGST Act, 2017. The Company has not collected and deposited GST on ORC deposits resulting in short assessment and collection of GST by Rs. 43.13 Crores (*) with consequent understatement of other current liabilities and other current assets to that extent.	In case of ORC works, MSETCL collects deposits from Outright Consumers before executing the works and treats as ORC Deposits in the books of accounts of MSETCL. It is shown in the liability side of the balance sheet of the MSETCL. This amount is finally set off against the actual cost of the construction/works at the time of completion of all activities of the works. Till the constructions stage, the expenditure incurred on these works is shown as Capital WIP and finally on completion of the works this deposit amount is set-off against the total works cost. The Asset is capitalized in the books of MSETCL at Re. 1. The Operation & Maintenance (O&M) of asset is carried out by MSETCL. As Asset is not transferred to the ORC Consumers, there was an ambiguity whether it is supply service or otherwise.	Issue is status quo. We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
		MSETCL has submitted Application for Advance Ruling vide ARN AD270419019782S dated 25.04.2019 to Authority of Advance Ruling (AAR), GST Department regarding Applicability of GST on Deposit for Dedicated Distribution Facility (DDF)/ Dedicated Transmission System (DTS) /Out-right Contracts (ORC). The same is "Pending for Order" till date. However, as a conservative measure, MSETCL has issued Circular in May-19 for charging GST on the estimated cost of the ORC Works including supervision charges and same is paid to GST Authority.	
		The decision regarding collection of GST on ORC deposit for the period from July'17 to March'19 shall be acted upon Order/Ruling from AAR in this regard. Order / Ruling from AAR is still awaited, meanwhile MSETCL has initiated the correspondence with AAR vide letter no.- 446 dated: 17.01.2020 & no.2650 dated 31/07/2020	
C	**Other Comments**		
1	**Significant Accounting Policies**		
(a)	As against the Corporate Social Responsibility (CSR) provision of Rs. 95.20 Crores during the years 2014-15 to 2016-17 and in 2019-20, the Company could spend only Rs. 20.37 Crores during the period from 2016-17 to 2019-20 on CSR projects and Rs. 74.83 Crores (78.60 per cent) remained unspent as of March 2020. However, the reasons for the non-utilisation were not specified by the Board in its report for the year 2018- 19 made under clause (o) of sub-section (3) of section 134 of the Act.	The Company has transferred the following amounts unspent as on April 30, 2021 in respect of Provisions made till FY 20-21 into a separate bank a/c. 1) Rs. 2716.53 Lakhs – 30 April 2021 2) Rs. 2500.00 Lakhs – 25 May 2021 3) Rs. 2848.01 Lakhs – 28 May 2021 Further, the Company has transferred unspent amount of Rs. 1743.26 Lakhs on 29 April 2022 in respect of provision made for FY 21-22 into a separate bank account. The Fact has been disclosed in the Financials.	The concerned matter is covered in Paragraph XX (a) and (b) within Annexure C of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF THE MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2024

[Referred to in paragraph 12 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Sr. No.	Statutory Auditors Opinion	Management Response
(i)	**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**	
	(a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. The details of the same are as below : **Description of Property, Plant and Equipment,** and relevant details of right-of-use assets — **Amount (Rs. In Lakhs)** PPE — 15,52,340.97 ROU — 15,294.42	MSETCL has implemented SAP/ERP and exercise was carried out to update the Fixed Assets Registers by incorporating the quantative details. Field Units are instructed to complete the assigned work on urgent basis.
	The Company has not maintained proper records showing full particulars of intangible assets. The details of the same are as below: **Description of Intangible Assets** — **Amount (Rs. In Lakhs)** Deviation Settlement Mechanism Software — 5.14	MSETCL has implemented SAP/ERP and exercise was carried out to update the Fixed Assets Registers by incorporating the quantative details. Field Units are instructed to complete the assigned work on urgent basis.
	(b) All the Property, Plant and Equipment and right of use assets of the Company have not been physically verified by the management during the year. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether such material discrepancies have been properly dealt with in the books of account.	Necessary policy framing for the physical verification of PPE on periodical basis in under process by the Company.
	(c) The records relating to title deeds of all the immovable properties as reflected in the standalone financial statements (i.e Land Title, 7/12 extract etc.) are not maintained/updated and the same are not reconciled with the Standalone Financial Statements as at 31st March, 2024. In the absence of appropriate and complete records, we are unable to state whether all such immovable properties are in the name of the Company.	Compilation of ready made documents of land/leasehold lands is in process. However, it would take time since the same is to be collected from various land authorities from various Zone Offices.
	(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.	Factual
	(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.	Factual
ii		
	(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. Discrepancies have been identified and adjusted by the Company , however the same can not be specifically identified. Accordingly, we are unable to comment whether such discrepancies are of 10% or more in the aggregate for each class of inventories.	Necessary instructions for proper reconciliation of excess/shortage found in physical stock and in the books of accounts by respective stores are given by the Management.

<table>
<tr><td></td><td>(b) The Company has not been sanctioned any working capital limits during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.</td><td>Factual</td></tr>
<tr><td>iii</td><td>According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.</td><td>Factual</td></tr>
<tr><td></td><td>(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year. Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable.</td><td>Factual</td></tr>
<tr><td></td><td>(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and terms and conditions in relation to investments made are not prejudicial to the interest of the Company.</td><td>Factual</td></tr>
<tr><td>iv</td><td>According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.</td><td>Factual</td></tr>
<tr><td>v</td><td>According to the information and explanations given to us, the Company has outstanding balances exceeding 365 days in security deposits which are deemed to be deposits under the provisions of section 73. Accordingly, the Company has contravened the provisions of Section 73 to 76 of the Act. Details are as follows:
<table>
<tr><th>Deposit accepted</th><th>Nature of Contravention</th><th>Amount (Rs. In Lakhs)</th></tr>
<tr><td>Security Deposit</td><td>Amount outstanding for More than 365 days</td><td>14776.99</td></tr>
</table></td><td>Security Deposit against work orders are refunded after completion of the contract, provided no penalty is imposed for any recovery which would be adjusted against the Security Deposit payables. However, it is to mention that these Security Deposits from Vendors are for contract obligations and not public deposits.</td></tr>
<tr><td>vi</td><td>Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.</td><td>The Cost Audit is completed and Cost Auditor has issued the Cost Audit Report.</td></tr>
<tr><td>vii</td><td>(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delays in few cases.</td><td>Factual</td></tr>
<tr><td></td><td>Attention is drawn to para 3(q) under "Basis for Qualified Opinion" section of our audit report wherein we have mentioned that details with respect to stat dues amounting to Rs.3,578.73 Lakhs contains old liabilities which is subject to reconciliation. We are unable to comment upon the adjustments / settlements arising from such reconciliation. Subject to aforesaid outstanding statutory dues there are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31 March 2024 for a period of more than six months from the date they became payable.</td><td>Appropriate Responses have been given at relevant points</td></tr>
</table>

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-Clause (a) above which have not been deposited as on March 31, 2024 on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount Demanded (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending	
Income Tax Act, 1961	Income Tax	19,000.84	2009-10	The Commissioner of Income-tax (Appeals)	Hearing is awaited
Income Tax Act, 1961	Income Tax	310.35	2010-11	The Commissioner of Income-tax (Appeals)	Hearing is awaited
Income Tax Act, 1961	Income Tax	4,212.98	2013-14	The Commissioner of Income-tax (Appeals)	Hearing is awaited
Income Tax Act, 1961	Income Tax	936.87	2013-14	The Commissioner of Income-tax (Appeals)	Hearing is awaited
Income Tax Act, 1961	Income Tax	17,524.47	2014-15	The Commissioner of Income-tax (Appeals)	As per records, submissions were filed in 2018, Matter was heard. Order yet to be passed - No new notice received
Income Tax Act, 1961	Income Tax	7,107.68	2016-17	The Commissioner of Income-tax (Appeals)	Hearing is awaited
Income Tax Act, 1961	Income Tax	14.27	2018-19	The Commissioner of Income-tax (Appeals)	Hearing is awaited
Income Tax Act, 1961	Income Tax	8,245.51	2020-21	The Commissioner of Income-tax (Appeals)	In terms of Order dated 24 September 2022 passed under section 143(3) of the Income-tax Act, 1961. The Company has also filed an appeal to the CIT(A) and the hearing of which is, as yet, awaited.
Income Tax Act, 1961	Income Tax	96.60	2021-22	The Commissioner of Income-tax (Appeals)	The demand is in terms of Intimation dated 13 November 2022 - a 154 has been filed against the same and written/legal submissions filed - Order of the CIT(A) awaited

viii	According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.	Factual
ix		
	(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.	Factual
	(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.	Factual
	(c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the company.	Factual
	(d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.	Factual

	(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its associates.	Factual
	(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint ventures or associate companies. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.	Factual
x		
	(a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.	Factual
	(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.	Factual
xi		
	(a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.	Factual
	(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.	Factual
	(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year, under its vigilance department while determining its nature, timing and extent of audit procedures.	Factual
xii	The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.	Factual
xiii	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections177 and 188 of the Act,2013 where applicable and details of such transactions have been disclosed in the standalone1 financial statements as required by applicable accounting standards.	Factual
xiv	(a) In our opinion and based on our examination, the Company has an internal audit system under Section 138 of the Company Act,2013. However, the same is not commensurate with the size and nature of its business.	Scope of Internal Auditor is being reframed to resolve any untouched matter.

	(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.	Factual
xv	According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.	Factual
xvi		
	(a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.	Factual
	(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.	Factual
	(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.	Factual
	(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.	Factual
xvii	Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company	Factual
xviii	There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.	Factual
xix	According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 57 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.	Factual
xx	(a) The company does not have any amount unspent other than amount remaining unspent on ongoing projects. Hence the provisions stated under clause xx(a) are not applicable to the company.	Factual

(b)	In respect of ongoing projects, the Company has transferred unspent amount to a special bank account within a period of thirty days from the end of the financial year in compliance with sub-section (6) of Section 135 of the Companies Act, 2013. Refer Note 49 to the standalone financial statements.	

Financial year*	Amount unspent on Corporate Social Responsibility activities “Ongoing Projects” (Rs. In Lakhs)	Amount transferred to special Account within 30 days from the end of the financial year (Rs. In Lakhs)	Amount transferred after the due date (specify the date of transfer) (Rs. In Lakhs)
(a)	(b)	(c)	(d)
FY 23-24 and	2,812.42	2,812.42 Transfer date 30 April 2024	N.A.

xxi.	The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.	Factual

ANNEXURE D TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

[Referred to in paragraph 14(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Maharashtra State Electricity Transmission Company Limited on the Financial Statements for the year ended March 31, 2024]

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

Statutory Auditors Opinion	Management Reply
We have audited the internal financial controls with reference to standalone financial statements of Maharashtra State Electricity Transmission Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.	Factual
Qualified Opinion	
In our opinion, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion Section below on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements as of March 31, 2024 and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").	Factual
We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of the Company, and these material weaknesses does affect our opinion on the standalone financial statements of the Company.	Factual
Basis for Qualified Opinion	
According to the information and explanations given to us and based on our audit, the following material weakness/es has / have been identified as at March 31, 2024:	
a) The Company did not have an appropriate formal documentation and risk control matrix with respect to Revenue to Receivable, Other Expense, Other Income, Financial Reporting Closure Process.	MSETCL has initiated process for appointing an Expert Professional to guide the Company for the development/updation of internal control processes, which would exhibit the adequecy commensurating with the size of the Company and the nature of its business.
b) The Company does not have laid down policy and procedures pertaining to materials/equipment's given to vendors/third parties on loan basis.	MSETCL Project units provide the spare materials to the vendors for installation/commissioning of the Project on returnable basis by taking the approval of the Comptent Authority. The details are maintained manually through official registers. Necessary instructions have been provided to all Field Units to maintain all the relevant records in such cases and provide the same to Auditors for verification.

c) The Company does not have laid down policies and procedures pertaining to write back of old balances and write off of old outstanding.	Necessary reconciliation is under process for drafting policies and procedures for write back of old balances and write off of old outstanding with the approval of Board.
d) The company does not have laid down policies and procedures pertaining to the tendering process.	MSETCL has initiated process for appointing an Expert Professional to guide the Company for the development/updation of internal control processes, which would exhibit the adequecy commensurating with the size of the Company and the nature of its business.
e) The company does not have laid down policies and procedures with respect to documentation of deviation for tendering process pertaining to repairs and maintenance.	
f) The Company should have appropriate controls to track and capitalize PPE on timely basis.	Procedures are being deviced for the generation of WCR through SAP/ERP itself, which would capitalised the asset in real time.
In addition to above, we also refer to 'Basis for Qualified Opinion' section of our audit report dated September 27, 2024 and the consequential impact it may have on Company's processes and internal controls, and to that extent, we are unable to comment on whether there is any material weakness in the Company's internal controls as at March 31, 2024.	Appropriate Responces have been provide to concern matters
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.	
Management and Board of Director's Responsibilities for Internal Financial Controls	
The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.	Factual
Auditors' Responsibility	
Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.	Factual
Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the	Factual

auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.	
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.	Factual
Meaning of Internal Financial Controls with reference to Standalone Financial Statements	
A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.	Factual
Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements	
Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	Factual

MANAGEMENT REPLIES TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIALS FY 2023-24

Sr. No.	Auditors Qualified Opinion	MSETCL's Reply
	INDEPENDENT AUDITOR'S REPORT **To the Members of Maharashtra State Electricity Transmission Company Limited** **Report on the Audit of the Consolidated Financial Statements**	
	Qualified Opinion	
1.	We have audited the accompanying consolidated financial statements of Maharashtra State Electricity Transmission Company Limited (hereinafter referred to as the "Holding Company") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements")	Factual
2.	In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of associates, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the the Holding Company and its associates as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.	Factual
	Basis for Qualified Opinion	
3. (a)	Other Income includes supervision fees amounting to Rs. 12,380.92 Lakhs. The Company recognises supervision fees on upfront basis instead of recognising the same over the period of the Outright Contracts, which is not in accordance with the provisions of Ind AS 115 "Revenue from Contracts with Customers". Accordingly, other income, Profit before tax and Retained Earnings are overstated and other liabilities are understated to such extent.	As per Para 35 of Ind AS 115 An entity transfers control of a goods or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts. Moreover, the supervision charges collected are of non refundable nature, hence the same are treated as Revenue Nature upfront.

(b)	Other Income includes income from the sale of scrap asset and sale of scrap inventory aggregating to Rs. 1,352.66 Lakhs. The entire selling price of the scrap asset / scrap inventory is credited to the respective accounts instead of recognising the profit/loss on such sale, which is not in accordance with the provisions of Ind AS 16 "Property, Plant and Equipment" and Ind AS 2 "Inventories".	Necessary instructions have been given to Field Units to adhere proper accounting treatment while booking of profit/loss on sale of scrap/assets.
(c)	Current Liability include Goods Receipt/ Invoice Receipt balances amounting to Rs. 9,136.83 Lakhs, which are outstanding for a considerable period of time, even beyond 3 years as on March 31, 2024, due to delay in the processing of invoices. As these are temporary balances, accordingly, we are unable to comment on the completeness and accuracy of the trade payables/ liabilities.	These balances are mainly due to non submission of invoices/documents by Vendors for which treatment for clearance of GRIR balance would be done by concerned Field and CO Units accordingly.
(d)	In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Holding Company had availed option of Cost model of accounting for its Property, Plants and Equipment's ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on electronic spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC Regulations. As a result, several instances of charging excess depreciation on assets were noted. Further, in several cases the deprecation is manually calculated and provided at Head office for the assets located in Zone or Region for the reason of mismatches in dates of capitalization, critical spare items capitalization, etc. In the absence of complete data/ details of such instances, the combined impact of such erroneous depreciation is not ascertainable. In view of the above, we are unable to comment on the consequential impact on the depreciation expense and net carrying value of the PPE.	The Company has appropriately done adjustment of deemed cost for PPE as on 01.04.2015.The consideration of net block as deemed cost is done as per guidance note on Ind AS Schedule II by ICAI read with Ind AS 101 and appropriate disclosures have been made in the financial statements. Depreciation as per Ind AS on amount as per orginal cost method or as per carrying cost method comes to the same figure, as in SAP-ERP depreciation will be calculated on the original amount, also the residual value of 10% as per MERC regulations has been considered in the SAP-ERP for each assets. Adjustment of Deemed Cost is only for disclosure purpose in the financial statements. Company cannot change its present fixed assets register and fixed assets schedule in the system.
(e)	PPE amounts to Rs. 25,76,825.01 Lakhs (Gross block) as on March 31, 2024. The Company has not carried out the physical verification of the PPE during the year or in previous years and PPE Register does not provide all requisite details, due to which we are unable to comment on the existence of the PPE. Further, depreciation on PPE is to be calculated by Company in accordance with MERC Regulations, which stipulates stage-wise calculation. The accounting system of the Company does not provide detailed report to identify the stage of PPE, due to which we are unable to recompute depreciation. Accordingly, we are unable to comment on completeness and accuracy of depreciation amounting to Rs. 1,28,986.73 Lakhs and net carrying value of PPE.	In this respect, ED(Operations) vide Circular No 6885 Dt 27.09.2022 has provided guidelines for physical verification of PPE of MSETCL. The SAP/ERP system is already calculating depreciation in accordance with the MERC Regulations, which stipulates stagewise calculation i.e depreciation in SLM upto 70% and balance 20% in equally during the balance useful life. Necessary development is being initiated in SAP/ERP to generate such report which would provide more details for the stage of PPE in the Financials.
(f)	Title deeds and Documents are not available with the Company with respect to all Freehold Land included in PPE. Further, certain Leasehold Land are classified under freehold Land and vice versa. Accordingly, classification of Land into Freehold and Leasehold may not be appropriate, thereby impacting the calculation of Right of Use Assets and depreciation thereof. Consequentially, accounting treatment is not in accordance with Ind AS 116 " Leases" in relation to the aforesaid. The impact, if any, of the same on the Standalone Financial Statements is currently not ascertainable.	Compilation of requisite documents of land/leasehold lands is in process at Civil Section of MSETCL. However, it would take time since the same is to be collected from various land authorities from various Zone Offices.

(g)	The Holding Company is having transmission network level ranging from 66 KV to 765 KV. As informed to us, it was decided to abolish/eliminate 66 KV from the transmission network of the Company and most of the abolished and decommissioned sub-stations and lines at 66 KV level were handed over to MSEDCL. Further, remaining sub-stations and lines were to be handed over to MSEDCL or would be utilized by MSETCL for up-gradation work, if any. We were further informed that the Company is in discussion with technical team to conclude on modalities of de-recognition, disposal and for determining consideration for such transfer of Assets in accordance with Ind AS-16 " Property, Plant and Equipment". However, during the course of audit, no further action/ documentation in this regard was provided to us. Accordingly, gross block of PPE, accumulated depreciation and net carrying cost are overstated to the extent of Rs. 13,975.23 Lakhs, Rs. 10,770.30 Lakhs and Rs. 3,204.93 Lakhs, respectively. Further, the Holding Company has not recognised amount receivable from MSEDCL amounting to Rs. 2,473.00 Lakhs and also not recognised differential amount on account of loss on transfer of PPE amounting to Rs. 731.93 Lakhs.	The 66KV lines and S/S are in operation, however, for ease of operation and maintenance , these assets have been entrusted to MSEDCL by handing over the said assets. Director (Operations) has issued guidelines vide Circular No 3533 Dt 12.05.2022 to field Units for the procedures to be followed for decommissioning of 66 KV Assets and booking of appropriate consideration from MSEDCL as Receivables in the Financial Statements.
(h)	Details in relation to "Assets not in use – held for sale" having net carrying value of Rs. 5,009.87 Lakhs as on March 31, 2024, were not made available to us. Further, such assets are carried at their carrying value instead of "lower of carrying value or net realizable value". This is not in accordance with the requirements of Ind AS 105 - "Non-current Assets Held for Sale and Discontinued Operations". The impact, if any, of the same on the Standalone Financial Statements and related disclosures is currently not ascertainable.	Trans O&M Section has issued guidelines for physical verification of assets is to be carried out to update the Fixed Asset Register. This activity would also cover the verification/reconciliation of Asset Not in use component.
(i)	Deposits on account of completed outright contracts are set off against Capital Work in Progress ("CWIP") giving rise to negative capital expenditure balances for which reconciliation is not made available. Accordingly, Assets under Construction ('AUC')/ Capital Work in Progress ("CWIP") in the Balance Sheet is understated to such extent. Further, there is no movement in some AUC line items since last more than three years. However, impairment assessment has not been performed by the Management of the Company with respect to the same in accordance with the requirements of Ind AS 36 -"Impairment of Assets". Accordingly, we are unable to comment on the consequential impact of the same on the Standalone Financial Statements.	Field Units has adjusted the CWIP for previous years in the current year. hence the capex during the year shows negative amounts. Necessary instructions have given to Field Units to reconcile the entries causing negative Capex in the Report. No movement in AUC line items is due to various issues like RoW, forest clearance, etc. Hence, there is no need for making provision of impairment of AUC.
(j)	The Holding Company accepts outright contribution contracts against which it receives deposits from the relevant parties. Such deposits are not evaluated on annual basis and are not set off against the relevant balances outstanding under capital work in progress on evaluation / completion of the project. The balance outstanding against ORC deposit as on March 31, 2024 amount to Rs. 1,499.51 Lakhs. In certain cases, net amount is grouped under Other Miscellaneous Receipts (NON- GST) instead of other income. Accordingly, we are unable to comment on the completeness and accuracy of the said balances.	Necessary instruction have been issued to adjust the ORC deposit received against existing completed assets. the proposed process of physical verification of PPE would help to identify the asset which is to be adjust against the ORC deposit.
(k)	The Holding Company had made a decision to dismantle certain tower foundations and towers constructed which are currently lying in CWIP amounting to Rs. 2,517 Lakhs. However, the Company has not taken any action to write off or impair the said amount and has not provided for dismantling expenses which is not in accordance with Ind AS 16 " Property, Plant and Equipment".	This pertains to diversion of 400 kv Babhaleshwar-Kudus line which was revised an revalidated for this line diversion. The proposal for write off capex expenditure is under process. The actual accounting effect for write off of exact loss/expenditure will be carried out after finalisation of proposal.

(l)	The Holding Company does not maintain details pertaining to the net realizable value (NRV) of its inventory. The inventories are valued at cost instead of being stated at lower of cost and NRV, which deviates from the accounting policy mentioned in Note No. 2.14 and the provisions of Ind AS 2 Inventories". The impact, if any, of such deviation on the Standalone Financial Statements is currently not ascertainable.	The Core business of MSETCL is construction and maintenance of substation and lines. The inventory procured is of specific nature and is not for sale in the market.
(m)	Certain assets like transformers and sub-station parts are sent for repair by zonal offices to vendors. In few zones, we observed that the records pertaining to such dispatch and its return including qualitative aspects of such repairs are not adequately maintained. Further, these assets are classified under "Assets not in Use - Held for Sale" which is not in accordance with Ind AS 16 " PPE ". In the absence of such details, we are unable to comment on the impact, if any, thereof on the Consolidated Financial Statements.	Trans O&M Section has directed to field offices that care should be taken while issuing work order to the repairing agencies as per the following guidelines: 1) Work order shall be issued by taking into account the existing work load of repairer and preferably the nearest agency. 2) Priority shall be given to those repairer who can deliver the repaired Transformers / ICTs within schedule time. 3) Allocation to repairer agency shall be consented from Corporate Office only.
(n)	The trade receivables as on March 31, 2024 amounts to Rs. 2,86,730.70 Lakhs. We are unable to comment on the accuracy of trade receivables balance on account of the following:	
i	The party-wise breakdown and ageing of trade receivables generated from the system are inaccurate, accordingly, we are unable to comment upon the accuracy of the amounts disclosed in Note 33 concerning the aging of trade receivables in the Consolidated Financial Statements.	The details regarding ageing of trade receivables were provided in excel worksheets. The Company appropriates the money received from Distribution Utilities towards the clearance of old dues first, hence, the outstanding dues pertains to latest invoices. Accordingly, ageing analysis were provided during the course of audit.
ii	The Company does not make provisions for Expected Credit Loss ("ECL") on long outstanding balances, which is inconsistent with the requirements of Ind AS 109 "Financial Instruments".	Considering the behaviourial pattern of customers in Trade Receivable in terms of payments made (especially MSEDCL , being sister concern, who is the major paying party), MSETCL has not made the provision for Expected Credit Loss.
iii	Additionally, one of the parties is under Insolvency Resolution Process, wherein the Company has not provided for the credit loss on the outstanding receivables amounting to Rs. 10,282.90 Lakhs.	Receivables in respect to ECI-Shanghai Ltd are appearing in the Financials amounting to Rs 1141 lakhs which seems to be doubtful as the vendor is under Insolvency Resolution Process and may not materialise. This calls for Provision of loss . But there is payable balance of Rs 12,400 lakhs in terms of Risk & Cost Adjustment pertaining to ECI Shanghai ltd. Necessary adjustment would be done after appropriate reconciliation , hence Reserve for Doubtful Debts provision is not made.
iv	We were unable to obtain independent confirmations and unable to perform alternative procedures on the balances of trade receivables. Accordingly, we are unable to comment on their accuracy and valuation, as these balances may be subject to consequent reconciliation.	Vendors are requested to provide necessary balance confirmation to the Auditors as per procedures.

(o)	Statutory dues like TDS, Provident Fund and Profession Tax amounting to Rs. 2,920.60 Lakhs contains old liabilities which is subject to reconciliation. We are unable to comment upon the adjustments / settlements arising from such reconciliation.	Proper yearwise reconciliation is under process.
(p)	The short-term provisions include both provisions for expenses and provisions for tree/crop compensation, aggregating to Rs. 5,309.55 lakhs. However, detailed listing and the underlying basis for these provisions are not available. Consequently, we are unable to comment on the completeness and accuracy of the said provisions. The potential impact, if any, on the Standalone Financial Statements is currently not ascertainable.	Trans O&M Section has issued guidelines to field units for closure of schemes by making provision of Tree/crop Compensation (upto Rs 1 crs).
(q)	Long term provisions consists of provision for capital works amounting to Rs. 12,573.57 lakhs for which detailed listing and basis of provision are not available. Accordingly, we are unable to comment on completeness and accuracy of the said provisions. The potential impact of the adjustments arising from review of the basis of these provisions, if any, on the Standalone Financial Statements is currently not ascertainable.	Necessary instructions have been issued to adjust the excess Outstanding Liability Provisions made during previous years against completed works.
(r)	The Holding Company has collected security deposits amounting to Rs. 3,991.25 lakhs, which have remained outstanding for a period exceeding three years which is neither refunded to the respective parties nor transferred to other income in accordance with the Company's policy. Further the classification of the total balances outstanding against security deposit into current and non- current is not appropriate. Given that certain amounts have been outstanding for more than 365 days, the Company is not in compliance with the provisions of sections 73 to 76 of the Act.	Security Deposit collected can be adjusted as income only on completion of said scheme or to be refunded as per terms and conditions of the Contract.
(s)	Liquidated damages deducted and EMD received by the Holding Company amounting to Rs. 3,440.85 Lakhs and Rs. 211.71 Lakhs respectively are outstanding for more than 3 years which are neither refunded to the respective parties nor transferred to other income (in accordance with the Holding Company's policy). Further, the classification of the total balances outstanding against liquidated damages and EMD into current and non-current is not appropriate. Impact, if any, of the adjustment arising on account of not following the Holding Company's policy, on the Consolidated Financial Statements is currently not ascertainable.	Retention kept against liquidity damages are appropriately treated as income , if the competent autority passed the order with penalty for Liquidity Damages. Till that time , Liquidity Damages Retention is kept as outstanding liability in Financials. In context to EMD, the same are refunded , if acquired through SRM Module.
(t)	The Holding Company has encountered differences resulting from price escalation due to the disengagement of vendor during the contract's tenure, and these differences are not appropriately identifiable. These adjustments are currently reflected in the "Risk and Cost Adjustment" ledger, with corresponding outstanding amounts in "Retention Money Receivable" ledger. However, detailed party-wise information and ageing of data related to these accounts are not available. Further the classification of the total balances outstanding against retention money into current and non- current is not appropriate. As a result, we are unable to comment on the existence and accuracy of these balances.	Retention against Risk & Cost Adjustments are kept for adjustment of excess capex incurred during completion of the Scheme. The Reconciliation is in process for adjustment in case of completed Schemes.
(u)	The Holding Company has received Government Grants earmarked for capital assets related to specific projects, with an outstanding balance as of March 31, 2024, amounting Rs. 27,726.94 Lakhs. These grants are deferred for recognition as revenue. However, detailed information regarding these grants, including asset specifications and the associated conditions that need to be fulfilled are not available. Consequently, we are unable to comment on the completeness and accuracy of these deferred amounts i.e., whether such deferment is in accordance with the stipulated schemes or the conditions, nor can we	The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy. The Assets wise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not asset wise. MSETCL bifurcated the grant based on the cost of the assets.

	ascertain whether the accounting treatment is in accordance with the provisions of Ind AS 20 “Accounting for Government Grants and Disclosure of Government Assistance”. The potential impact, if any, on the Consolidated Financial Statements is currently not ascertainable.			
(v)	Contingent Liability as stated in Note no. 42 amount to Rs. 5,87,626.36 Lakhs. Further, an amount of Rs. 662.24 Lakhs under current liability and Rs. 11,942.07 Lakhs under Other Current Financial Assets is on account of certain compensation/ payments against the said cases. In the absence of detailed listing of cases, respective amounts, and status thereon, we are unable to comment on the completeness and accuracy of contingent Liability.			Necessary template has been developed in SAP/ERP System, wherein all the details will be made available for verification.
(w)	We have not received certain details w.r.t the following balances:			
	Particulars	**Amount (Rs in lakhs)**	**Remarks**	
	Liability towards staff welfare Fund with Board	601.44	Listing and details not available. Impacts accuracy and completeness.	Necessary reconciliation is under process based on current status of liabilities. Procedures for writeback of old untracable balances will be submitted to Competent Authority for approval.
	Sundry Creditors Payable Domestic (others)	2357.13	Unexplained debit balance under Trade payables. Impacts accuracy.	Necessary reconciliation is under process based on current status of liabilities. Procedures for writeback of old untracable balances will be submitted to Competent Authority for approval.
	Board of Trustees P.F. & Final Settlement	2268.93	Listing and details not available. Impacts accuracy and completeness.	Necessary reconciliation of field units balance and CPF Section is under process. Necessary writeback would be initiated based on current status of liability.
	Advances to Contractors /Suppliers - O&M	3520.26	Unexplained credit balance under Advances. Impacts accuracy.	Necessary reconciliation is under process. Procedures for writeoff of old untracable balances will be submitted to Competent Authority for approval.
	Capital Advance for Projects	1106.76	Listing and details not available. Impacts completeness, accuracy and valuation.	Necessary reconciliation is under process. Procedures for writeoff of old untracable balances will be submitted to Competent Authority for approval.
(x)	We have not received sufficient and appropriate audit evidence with regard to employee related payables amounting to Rs. 4,066.62 lakhs included in other current financial liability. Consequently, we are unable to comment on the existence, completeness and accuracy of these balances. The potential impact, if any, on the Consolidated Financial Statements is currently not ascertainable.			Necessary reconciliation is under process. Procedures for writeoff of old untracable balances will be submitted to Competent Authority for approval.
(y)	The Company has calculated Deferred Tax Asset/ Liability on the basis of books of account. We are unable to comment on the said amount as calculated which may undergo change due to consequential impact of the aforesaid qualification in the Basis for Qualification para from point 3 (a) to 3(x).			Deferred Tax Asset/Liability is computed on components of Profit & Loss statement which emerge for Timing Difference for Income Tax Computation. In terms of qualifications , necessary responses have been given in appropriate places.
4	These matter from Para 3(a) to 3(w) and 3(y) were also qualified in our report on the consolidated Ind AS financial statements for the year ended March 31, 2023.			Necessary steps had been taken for reconciliation/data submission in previous years. However, now the directives have been issued by the Board to minimise the Audit Qualifications. Corporate Office would take all necessary corective actions to do the same.

5	We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our qualified opinion.	Factual
	Information Other than the Consolidated Financial Statements and Auditor's Report Thereon	
6	The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.	Factual
7	Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.	Factual
8	In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in the Director's Report have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.	Factual
	Responsibilities of Management for the Consolidated Financial Statements	
9	The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Holding Company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Holding Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and of its associates for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records,	Factual

	relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.	
10	In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Holding Company and of its associates are responsible for assessing the ability of the Holding Company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors / Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.	Factual
11	The respective Board of Directors of the companies included in the Holding Company and of its associates are responsible for overseeing the financial reporting process of each company.	Factual
	Auditor's Responsibilities for the Audit of the Consolidated Financial Statements	
12	Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.	Factual
13	We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the consolidated Financial Statements.	Appropriate Responses have been provide to concern matters
	Other Matters	
14	The consolidated financial statements includes the Holding share of net profit/loss (including total other comprehensive income) of Rs. 976.55 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.	Factual
15	Our opinion on the consolidated financial statements is not modified in respect of the above matters.	Factual
	Report on Other Legal and Regulatory Requirements	
16	As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the associates referred to in the Other Matters section above we report, to the extent applicable, that:	Factual

(a)	We have sought and except for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.	Factual
(b)	Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.	Appropriate Responses have been provide to concern matters
(c)	The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.	Factual
(d)	Except for the effects of the matter described in Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.	Appropriate Responses have been provide to concern matters
(e)	In view of exemption given vide notification no. 463(E) dated 5 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government company within the meaning of section 2(45) of the Act, provisions of section 164(2) of the Act pertaining to disqualification of Directors, are not applicable to the Holding Company. On the basis of the reports of the other auditors of associate companies incorporated in India, none of the directors of its associate companies incorporated in India are disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.	Factual
(f)	With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company and its associate companies the operating effectiveness of such controls, refer to our separate report in “Annexure B”.	Appropriate Responses have been provide to concern matters
(g)	In our opinion, proper books of accounts as required by law have been kept by the Holding Company so far as it appears from our examination of those books except for the matters stated in the paragraph (h) (vi) below on reporting under rule 11(g). The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g).	Factual
(h)	With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	Factual
i	Except as noted in para 3 (v) above, the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 42 to the standalone financial statements;	Factual
ii	The Holding Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.	Factual

iii	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its associate companies.	Factual
iv		
	(1) The respective Managements of the Holding Company and its associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such associates to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.	Factual
	(2) The respective Managements of the Holding Company and its associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such associates from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.	Factual
	(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.	Factual
v	The Holding Company has neither declared nor paid any dividend during the year. the final dividend paid by associate companies during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.	Factual
vi	Based on our examination and on the consideration of report of other auditors on separate financial statements of associates, incorporated in India, the Holding Company has used an accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with except in case	Factual

	of its two associates incorporated in India, the audit trail feature was not enabled in the software application at database level.	
17	In view of exemption given vide notification no.463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of section 2(45) of the Act, provisions of section 197 of the Act pertaining to managerial remuneration, are not applicable to the Holding Company. Based on the reports of the other auditors of associate companies incorporated in India which were not audited by us, the said section is not applicable to one associate company. Further, in case of one associate company, it has not paid any remuneration to its directors.	Factual
18	According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of associates included in the consolidated financial statements of the Holding Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.	Factual

MANAGEMENT RESPONSES TO ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Auditor Opinion	Management Reply
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements	
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:	
• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.	Factual
• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls	Appropriate Responses have been provided to concern matters
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.	Factual
• Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern	Factual
• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.	Factual
• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.	Factual
• We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.	Factual
• We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	Factual

MANAGEMENT RESPONSES TO ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

[Referred to in paragraph 16(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Maharashtra State Electricity Transmission Company Limited on the consolidated Financial Statements for the year ended 31st March, 2024]

Auditor Opinion	Management Reply
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")	
In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Maharashtra State Electricity Transmission Company Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company and its associate companies, which are companies incorporated in India, as of that date.	Factual
Qualified Opinion	
In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion section below on the achievement of the objectives of the control criteria, the Holding company and its associate companies, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as of March 31, 2024, and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").	Factual
We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company for the year ended March 31, 2024, and we have issued a qualified opinion on the said consolidated financial statements of the Holding Company.	Factual
Basis for Qualified Opinion	
According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2024:	
a) The Holding Company did not have an appropriate formal documentation and the risk control matrix with respect to Revenue to Receivables, Other Expense, Other Income and Financial Reporting Closure Process.	MSETCL has initiated process for appointing an Expert Professional to guide the Company for the development/updation of internal control processes, which would exhibit the adequecy commensurating with the size of the Company and the nature of its business.
b) The Holding Company did not have documented policies and procedures pertaining to materials/equipment given to vendors or third parties on loan basis.	MSETCL Project units provide the spare materials to the vendors for installation/commissioning of the Project on returnable basis by taking the approval of the Comptent Authority. The details are maintained manually through official

	registers. Necessary instructions have been provided to all Field Units to maintain all the relevant records in such cases and provide the same to Auditors for verification.
c) The Holding Company did not have documented policies and procedures pertaining to write back of and write off of old outstanding balances.	Necessary reconciliation is under process for drafting policies and procedures for write back of old balances and write off of old outstanding with the approval of Board.
d) The Holding Company did not have documented policies and procedures pertaining to the tendering process.	MSETCL has initiated process for appointing an Expert Professional to guide the Company for the development/updation of internal control processes, which would exhibit the adequecy commensurating with the size of the Company and the nature of its business.
e) The Holding Company did not have documented policies and procedures with respect to documentation of deviation for tendering process pertaining to repairs and maintenance.	
f) The Holding Company did not have appropriate controls to track and capitalize Property, Plant and Equipment on timely basis.	Procedures are being deviced for the generation of WCR through SAP/ERP itself, which would capitalised the asset in real time.
In addition to above, we also refer to 'Basis for Qualified Opinion' section of our audit report dated 27 September 2024 and the consequential impact it may have on Holding Company's processes and internal controls, and to that extent, we are unable to comment on whether there is any material weakness in the Holding Company's internal controls as at March 31, 2024.	Factual
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.	Factual
Management Responsibility for Internal Financial Controls	
The respective Management and the Board of Directors of the Holding Company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.	Factual
Auditor's Responsibility	
Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with	Factual

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.	
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.	Factual
We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its associate companies, which are companies incorporated in India.	Factual
Meaning of Internal Financial Controls With reference to Consolidated Financial Statements	
A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.	Factual
Inherent Limitations of Internal Financial Controls With reference to Consolidated Financial Statements	
Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	Factual

Other Matter	
Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.	Factual
Our opinion is not modified in respect of this matter.	Factual

Annexure-VII

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2024

The preparation of Standalone Financial Statements of **Maharashtra State Electricity Transmission Company Limited** for the year ended **31 March 2024** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the Standalone Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **27 September 2024.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Standalone Financial Statements of **Maharashtra State Electricity Transmission Company Limited** for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

A. Comments on Profitability

Statement of Profit and Loss

Revenue

Other Income (Note 25): Rs. 654.64 crore

1. The above includes Liquidated Damages of Rs.20.72 crore (Rs.19.66 crore for Nagpur zone and Rs.1.06 crore for Nashik zone) which has been booked as income before approval of the Time Limit Extension (TLE) proposal by the competent authority. Also, as per the disclosed accounting policy of the Company other income is recognised on accrual basis except when ultimate realisation of such income is uncertain. Income from liquidated damages is certain only on finalisation of TLE and till such time the same has to be recovered and kept under retention money.

This has resulted in overstatement of the Profit for the year and understatement of Retention Money under Other Non-Current Financial Liabilities (Note 16.2) by Rs.20.72 crore.

B. Comments on Financial Position

Balance Sheet

Liabilities

Other Non-Current Liabilities (Note 20): Rs.1,877.15 crore

Deposit received from consumers under Out Right Contribution (ORC) Schemes: Rs.1,599.88 crore

2. The above includes Rs.122.19 crore [Rs.80.96 crore (Vashi Zone) and Rs.41.23 crore (Nagpur zone)] being deposits received from ORC consumers towards deposit works. Since the works have been commissioned and charged, the Company should have adjusted / set off the deposit from ORC consumer to that extent.

This has resulted in overstatement of Other Non-Current Liabilities and overstatement of Capital Work-in-Progress (Note 4.2) under Non-Current Assets by Rs. 122.19 crore.

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

Sd/-
(Dattaprasad S. Shirsat)
Accountant General (Audit)-II Maharashtra

Place: Nagpur
Date: 23/12/2024

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITD FOR THE YEAR ENDED 31 MARCH 2024 AND MSETCL'S RESPONSE THEREUPON

Sr. No.	CAG's COMMENTS	MSETCL's Reply	Statutory Auditor's Reply
A	Statement of Profit and Loss Revenue Other Income (Note 25): Rs. 654.64 crore		
1	The above includes Liquidated Damages of Rs.20.72 crore (Rs.19.66 crore for Nagpur zone and Rs.1.06 crore for Nashik zone) which has been booked as income before approval of the Time Limit Extension (TLE) proposal by the competent authority. Also, as per the disclosed accounting policy of the Company other income is recognised on accrual basis except when ultimate realisation of such income is uncertain. Income from liquidated damages is certain only on finalisation of TLE and till such time the same has to be recovered and kept under retention money. This has resulted in overstatement of the Profit for the year and understatement of Retention Money under Other Non-Current Financial Liabilities (Note 16.2) by Rs.20.72 crore.	As per MSETCL Circular No. MSETCL/CO/F&A/578 dated 23.01.2020, the basis for recognizing liquidated damages as income aligns with contract provisions, whereby liquidated damages are recognized as income once a delay is confirmed and the financial impact of schedule non-compliance becomes evident.	Background: As per the company's policy, if in case of any contracts of the company, the contractor does not complete the work within the specified timeframe or within any granted extension, the company imposes liquidated damages for this breach, irrespective of other rights and remedies under the contract. The liquidated damages are calculated at 0.5% of the total contract price per week of delay, up to a maximum of 10% of the contract price for the entire scope of work. In case, delay reaches the maximum limit, the company reserves the right to terminate the contract and complete the remaining work at the contractor's risk and expense. Company Policy: As per circular no. MSETCL/CO/F&A/003/No. 00578 dt. 23-01-2020, in case LD/ Penalty charged and TLE not approved with LD/ Penalty for the current period- The respective offices should book the income on recovery of LD/ Penalty including the GST as income for the current period without waiting for the approval of TLE proposal. Explanation: This is in line with the policy of the company, also the amount is below the materiality thresholds used for the purpose of audit.
B	**Comments on Financial Position** **Balance Sheet** **Liabilities** **Other Non-Current Liabilities (Note 20): Rs.1,877.15 crore** **Deposit received from consumers under Out Right Contribution (ORC) Schemes: Rs.1,599.88 crore**		
2	The above includes Rs.122.19 crore [Rs.80.96 crore (Vashi Zone) and Rs.41.23 crore (Nagpur zone)] being deposits received from ORC consumers towards deposit works. Since the works have been commissioned and charged, the Company should have	**VASHI ZONE :** Nagothane Traction Substation (Rs 9.95 cr) The scheme for 220 kV power supply to M/s Indian Railways at Nagothane was completed	**Background:** MSETCL undertakes construction of small sub-stations, towers, plants etc., for the supply of power to other agencies on specific

	adjusted / set off the deposit from ORC consumer to that extent. This has resulted in overstatement of Other Non-Current Liabilities and overstatement of Capital Work-in-Progress (Note 4.2) under Non-Current Assets by Rs. 122.19 crore.	on 30.05.2023. Although all work has been finalized, the financial closure is pending due to the agency's delay in submitting the final bill. The concerned office is actively following up with the agency to expedite the submission of the final bill. Upon receipt and processing, the ORC deposit amount will be adjusted. Panvel TSS for DFCCIL (Vashi Zone): (Rs 1.37 cr) The 220 kV Panvel TSS line work was completed and charged on 23.06.2022. Final Quantity Variation, Extra Item, and Time Limit Extension proposals have been approved. The agency's final bill is awaited for financial closure. The office is consistently following up with the agency for bill submission. Once processed, the ORC deposit will be adjusted accordingly. 220 kV GIS Substations at Khandeshwar and Waghivali for Navi Mumbai International Airport (Vashi Zone): (Rs 68.96 cr) Work for the Khandeshwar and Waghivali substations was completed on 25.02.2023 and 01.09.2023, respectively. Additionally, UG cable laying and pile foundation strengthening for the 220 kV Uran-Kharghar line were completed in June 2024. Necessary proposals (Final Quantity Variation, Extra Item, and Time Limit Extension) are under processing or pending approvals from the competent authorities. After approvals, all pending bills, including final bills, will be processed, and the deposit amount from ORC consumers will be adjusted . Sonkhar-Trombay Transmission Line (Vashi Zone): (Rs 0.68 cr) The work for shifting the 220 kV Sonkhar-Trombay transmission line for MCGM's flyover construction was completed and charged on 07.02.2024. The proposal for Time Limit Extension is still pending. Once all approvals are secured, final bills will be	order. Such works are identified in the company as ORC works. The Company charges 'Supervision Fees' over and above the expenditure incurred for executing such 'ORC Works' which is recognised as revenue. In the course of execution of the ORC Work, deposits are taken from parties for whom the Company performs/executes such works. Further, as per the terms of business, the ultimate ownership of such assets rests with the Company. The assets are not handed over to other agencies. After the completion of the project, Company knocks off the said deposits from the assets constructed (CWIP) and nominal value of Re. 1 is kept in the asset master for identification. If any balance remains after the above, said amount has to be refunded to the parties. **Explanation:** During our field visit, we came across instances where the ORC projects are completed and there were no reconciliations available to verify the knocking off of ORC deposit against CWIP project. Also, cases were found where the project was completed and balance deposit was not refunded to customers. Based on discussion with the management, we are given to understand that the management is planning due action going forward in order to reconcile all such items. Accordingly, the concerned matter has been qualified in our Audit report under para 3(j) under "Basis for Qualified Opinion" of our report of 'Audit of Standalone Financial Statement for FY 23-24'.

		processed, and the deposit from ORC consumers will be adjusted accordingly. **NAGPUR ZONE :** i) Rs 7.50 crores deposit amount is to be adjusted against the already constructed 33 kv Bays allotted to ORC consumers. II) Proposals for refund of Rs 4.50 cr are initiated and under process for approval of Competent Authority. ii)The projects/works for amount of Rs.12.50 crs are work in progress and under execution the amount will be adjusted after completion of these works.. iii)The amount of Rs.17 crores against which work already had been completed will be adjusted after closure of respective schemes for which quantity variation,TLE proposals are under process and initiated for approval of competant authority.	

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31st MARCH 2024

The preparation of consolidated financial statement of **Maharashtra State Electricity Transmission Company Limited** for the year ended 31st March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statement under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **27 September 2024.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Maharashtra State Electricity Transmission Company Limited,** Mumbai for the year ended 3l March 2024 under section 143(6)(a) read with the section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of **Maharashtra State Electricity Transmission Company Limited,** Mumbai but did not conduct supplementary audit of the financial statements of **Jaigad Power Transmission Limited** and **Maharashtra Transmission Communication Infrastructure Limited** for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with Section 129(4) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report:

A. OTHER COMMENT

Significant Accounting Policy

1. As per Note 2.15 of statement of Significant Accounting Policies, revenue from Open Access charges is recognized as per MERC orders. However, the Corporation has not booked open access charges of Rs.1121.55 crore on yearly basis being Partial Open Access Charges receivable from Maharashtra State Electricity Distribution Company Limited pertaining to financial years from 2019-20 to 2022-23. This was in violation of Company's disclosed Accounting Policy.

For and behalf of
The Comptroller and Auditor General of India

Sd/-
(Dattaprasad S. Shirsat)
Accountant General (Audit)-II, Maharashtra

Place: Nagpur
Date: 27/12/2024

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITD FOR THE YEAR ENDED 31 MARCH 2024 AND MSETCL'S RESPONSE THEREUPON

Sr. No.	CAG's COMMENTS	MSETCL's Reply	Statutory Auditor's Reply
A	**OTHER COMMENT** **Significant Accounting Policy**		
1	As per Note 2.15 of statement of Significant Accounting Policies, revenue from Open Access charges is recognized as per MERC orders. However, the Corporation has not booked open access charges of Rs.1121.55 crore on yearly basis being Partial Open Access Charges receivable from Maharashtra State Electricity Distribution Company Limited pertaining to financial years from 2019-20 to 2022-23. This was in violation of Company's disclosed Accounting Policy.	During the computation of 3rd Instalment of Advance Tax payment for AY 2024-25 (FY 2023-24), STU section had intimated the receivable of Rs 1121.55 crs from MSEDCL on account of Partial Open Access charges collected by MSEDCL (email from MSEDCL attached). MSETCL as per its accounting policy on Other Income recognizes income on account of partial open access charges collected by MSEDCL and to be reimbursed to MSETCL on accrual basis except when ultimate realization of such income is uncertain. Hence the same was considered for Tax liability computation as non inclusion of the same would cause the levy of Interest and Penalty on final computation at year end. However, during the computation of 4th Instalment of Advance Tax payment , the said fact was again confirmed by STU section, but even though the amounts were confirmed by MSEDCL, no amount was received by MSETCL till date. No response to the email send by MSETCL in March, 2023. Hence. STU took decision of considering this amount as income on receipt basis & not accrued basis. Hence, considering the inclusion of Partial Open Access charges on accrual basis would have caused huge tax liability eventhough no amount received from MSEDCL. So, the amount booked as Other Income was withdrawn by STU Section.	**Accounting Policy:** As per the accounting policy provided in the Note 2.15 on "Revenue Recognition" in the Statement of Significant Accounting Policies, MSETCL recognizes "other income on an accrual basis, except when the ultimate realization of such income is uncertain." Further the accounting policy also states that income related to Open Access Charges is recognized as per the Maharashtra Electricity Regulatory Commission (MERC) orders. **Statute Reference:** Para 9(e) of Ind AS 115, "Revenue from Contracts with Customers," provides that revenue should be recognized when "it is probable that the entity will receive substantially all of the consideration." This guidance underscores that revenue is recognized when there is a reasonable certainty regarding the realization of income. Where uncertainty exists, recognition should be deferred until the income is reliably collectible. **Explanation :** Although the Partial Open Access Charges of 1,121.55 crore were initially recognized as income for tax computation purposes to avoid potential interest and penalty on non-inclusion, they were later excluded due to uncertainties surrounding the actual receipt. Despite confirmation of amounts due by MSEDCL, the absence of payment and lack of response from MSEDCL created a situation where collection remained uncertain. Given this uncertainty, the STU section of MSETCL ultimately decided to recognize this income on a receipt basis rather than accrual basis, as required by the accounting

			policy in cases where ultimate realization is in doubt. This treatment aligns with both MSETCL's accounting policy and the guidance under Ind AS 115 on deferring revenue recognition where collectability is not reasonably assured. Accordingly, we request your esteemed office to consider the above response and drop the point.

For and on behalf of the Board of Directors

Dr. Sanjeev Kumar
Chairman & Managing Director

Place: Mumbai
Date:17/01/2025

INDEPENDENT AUDITOR'S REPORT
To the Members of Maharashtra State Electricity Transmission Company Limited
Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Maharashtra State Electricity Transmission Company Limited ("the Company") which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3.

(a) Other Income includes supervision fees amounting to Rs. 12,380.92 Lakhs. The Company recognises supervision fees on upfront basis instead of recognising the same over the period of the Outright Contracts, which is not in accordance with the provisions of Ind AS 115 "Revenue from Contracts with Customers". Accordingly, other income, Profit before tax and Retained Earnings are overstated and other liabilities are understated to such extent.

(b) Other Income includes income from the sale of scrap asset and sale of scrap inventory aggregating to Rs. 1,352.66 Lakhs. The entire selling price of the scrap asset / scrap inventory is credited to the respective accounts instead of recognising the profit/loss on such sale, which is not in accordance with the provisions of Ind AS 16 "Property, Plant and Equipment" and Ind AS 2 "Inventories".

(c) Current Liability include Goods Receipt/ Invoice Receipt balances amounting to Rs. 9,136.83 Lakhs, which are outstanding for a considerable period of time, even beyond 3 years as on March 31, 2024, due to delay in processing of invoices. As these are temporary balances, accordingly, we are unable to comment on the completeness and accuracy of the trade payables/ liabilities.

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

In view of the above, we are unable to comment on the consequential impact on the depreciation expense and net carrying value of the PPE.

(e) PPE amounts to Rs. 25,76,825.01 Lakhs (Gross block) as on March 31, 2024. The Company has not carried out the physical verification of the PPE during the year or in previous years and PPE Register does not provide all requisite details, due to which we are unable to comment on the existence of the PPE.

Further, depreciation on PPE is to be calculated by Company in accordance with MERC Regulations, which stipulates stage-wise calculation. The accounting system of the Company does not provide detailed report to identify the stage of PPE, due to which we are unable to recompute depreciation. Accordingly, we are unable to comment on completeness and accuracy of depreciation amounting to Rs. 1,28,986.73 Lakhs and net carrying value of PPE.

(f) Title deeds and Documents are not available with the Company with respect to all Freehold Land included in PPE. Further, certain Leasehold Land are classified under freehold Land and vice versa. Accordingly, classification of Land into Freehold and Leasehold may not be appropriate, thereby impacting the calculation of Right of Use Assets and depreciation thereof. Consequentially, accounting treatment is not in accordance with Ind AS 116 " Leases" in relation to the aforesaid. The impact, if any, of the same on the Standalone Financial Statements is currently not ascertainable.

(g) The Company is having transmission network level ranging from 66 KV to 765 KV. As informed to us, it was decided to abolish/eliminate 66 KV from the transmission network of the Company and most of the abolished and decommissioned sub-stations and lines at 66 KV level were handed over to MSEDCL. Further, remaining sub-stations and lines were to be handed over to MSEDCL or would be utilized by MSETCL for up-gradation work, if any.

We were further informed that the Company is in discussion with technical team to conclude on modalities of de-recognition, disposal and for determining consideration for such transfer of Assets in accordance with Ind AS-16. “Property, Plant and Equipment”.

However, during the course of audit, no further action/ documentation in this regard was provided to us. Accordingly, gross block of PPE, accumulated depreciation and net carrying cost are overstated to the extent of Rs. 13,975.23 Lakhs, Rs. 10,770.30 Lakhs and Rs. 3,204.93 Lakhs, respectively. Further, the Company has not recognised amount receivable from MSEDCL amounting to Rs. 2,473.00 Lakhs and also not recognised differential amount on account of loss on transfer of PPE amounting to Rs. 731.93 Lakhs.

(h) Details in relation to "Assets not in use - held for sale" having net carrying value of Rs. 5,009.87 Lakhs as on March 31, 2024, were not made available to us. Further, such assets are carried at their carrying value instead of "lower of carrying value or net realizable value". This is not in accordance with the requirements of Ind AS 105 - "Non-current Assets Held for Sale and Discontinued Operations". The impact, if any, of the same on the Standalone Financial Statements and related disclosures is currently not ascertainable.

(i) Deposits on account of completed outright contracts are set off against Capital Work in Progress ("CWIP") giving rise to negative capital expenditure balances for which reconciliation is not made available. Accordingly, Assets under Construction ("AUC")/ "CWIP" in the Balance Sheet is understated to such extent. Further, there is no movement in some AUC line items since last more than three years. However, impairment assessment has not been performed by the Management of the Company with respect to the same in accordance with the requirements of Ind AS 36 - "Impairment of Assets". Accordingly, we are unable to comment on the consequential impact of the same on the Standalone Financial Statements.

(j) The Company accepts outright contribution contracts against which it receives deposits from the relevant parties. Such deposits are not evaluated on annual basis and are not set off against the relevant balances outstanding under capital work in progress on evaluation / completion of the project. The balance outstanding against ORC deposit as on March 31, 2024 amount to Rs. 1,499.51 Lakhs. In certain cases, net amount is grouped under Other Miscellaneous Receipts (NON- GST) instead of other income. Accordingly, we are unable to comment on the completeness and accuracy of the said balances.

(k) The Company had made a decision to dismantle certain tower foundations and towers constructed which are currently lying in CWIP amounting to Rs. 2,517 Lakhs. However, the Company has not taken any action to write off or impair the said amount and has not provided for dismantling expenses which is not in accordance with Ind AS 16 " Property, Plant and Equipment".

(l) The Company does not maintain details pertaining to the net realizable value (NRV) of its inventory. The inventories are valued at cost instead of being stated at lower of cost and NRV, which deviates from the accounting policy mentioned in Note No. 2.14 and the provisions of Ind AS 2 Inventories". The impact, if any, of such deviation on the Standalone Financial Statements is currently not ascertainable.

(m) Certain assets like transformers and sub-station parts are sent for repair by zonal offices to vendors. In few zones, we observed that the records pertaining to such dispatch and its return including qualitative aspects of such repairs are not adequately maintained.

Further, these assets are classified under "Assets not in Use - Held for Sale" which is not in accordance with Ind AS 16 PPE. In the absence of such details, we are unable to comment on the impact, if any, thereof on the Standalone Financial Statements.

(n) The trade receivables as on March 31, 2024 amounts to Rs. 2,86,730.70 Lakhs. We are unable to comment on the accuracy of trade receivables balance on account of the following.

  i The party-wise breakdown and ageing of trade receivables generated from the system are inaccurate, accordingly, we are unable to comment upon the accuracy of the amounts disclosed in Note 37 concerning the aging of trade receivables in the Standalone Financial Statements.

  ii The Company does not make provisions for Expected Credit Loss ("ECL") on long outstanding balances, which is inconsistent with the requirements of Ind AS 109 "Financial Instruments".

  iii Additionally, one of the parties is under Insolvency Resolution Process, wherein the Company has not provided for the credit loss on the outstanding receivables amounting to Rs. 10,282.90 Lakhs.

  iv We were unable to obtain independent confirmations and unable to perform alternative procedures on the balances of trade receivables. Accordingly, we are unable to comment on their accuracy and valuation, as these balances may be subject to consequent reconciliation.

(o) Statutory dues like TDS, Provident Fund and Profession Tax amounting to Rs. 2,920.60 Lakhs contains old liabilities which is subject to reconciliation. We are unable to comment upon the adjustments / settlements arising from such reconciliation.

(p) The short-term provisions include both provisions for expenses and provisions for tree/crop compensation, aggregating to Rs. 5,309.55 Lakhs. However, detailed listing and the underlying basis for these provisions are not available. Consequently, we are unable to comment on the completeness and accuracy of the said provisions. The potential impact, if any, on the Standalone Financial Statements is currently not ascertainable.

(q) Long term provisions consists of provision for capital works amounting to Rs. 12,573.57 Lakhs for which detailed listing and basis of provision are not available. Accordingly, we are unable to comment on completeness and accuracy of the said provisions. The potential impact of the adjustments arising from review of the basis of these provisions, if any, on the Standalone Financial Statements is currently not ascertainable.

(r) The Company has collected security deposits amounting to Rs. 3,991.25 Lakhs, which have remained outstanding for a period exceeding three years which is neither refunded to the respective parties nor transferred to other income in accordance with the Company's policy. Further the classification of the total balances outstanding against security deposit into current and non- current is not appropriate. Given that certain amounts have been outstanding for more than 365 days, the Company is not in compliance with the provisions of sections 73 to 76 of the Act.

(s) Liquidated damages deducted and EMD received by the Company amounting to Rs. 3,440.85 Lakhs and Rs. 211.71 Lakhs respectively are outstanding for more than 3 years which are neither refunded to the respective parties nor transferred to other income (in accordance with the Company's policy). Further, the classification of the total balances outstanding against liquidated damages and EMD into current and non-current is not appropriate. Impact, if any, of the adjustment arising on account of not following the Company's policy, on the Standalone Financial Statements is currently not ascertainable.

(t) The Company has encountered differences resulting from price escalation due to the disengagement of vendor during the contract's tenure, and these differences are not appropriately identifiable. These adjustments are currently reflected in the "Risk and Cost Adjustment" ledger, with corresponding outstanding amounts in "Retention Money Receivable" ledger. However, detailed party-wise information and ageing of data related to these accounts are not available. Further the classification of the total balances outstanding against retention money into current and non- current is not appropriate. As a result, we are unable to comment on the existence and accuracy of these balances.

(u) The Company has received Government Grants earmarked for capital assets related to specific projects, with an outstanding balance as of March 31, 2024, amounting Rs. 27,726.94 Lakhs. These grants are deferred for recognition as revenue. However, detailed information regarding these grants, including asset specifications and the associated conditions that need to be fulfilled are not available. Consequently, we are unable to comment on the completeness and accuracy of these deferred amounts i.e., whether such deferment is in accordance with the stipulated schemes or the conditions, nor can we ascertain whether the accounting treatment is in accordance with the provisions of Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". The potential impact, if any, on the Standalone Financial Statements is currently not ascertainable.

(v) Contingent Liability as stated in Note no. 42 amount to Rs. 5,87,626.36 Lakhs. Further, an amount of Rs. 662.24 Lakhs under current liability and Rs. 11,942.07 Lakhs under Other Current Financial Assets is on account of certain compensation/ payments against the said cases. In the absence of detailed listing of cases, respective amounts, and status thereon, we are unable to comment on the completeness and accuracy of contingent Liability.

(w) We have not received certain details w.r.t the following balances:

Particulars	Amount (In Lakhs)	Remarks
Liability towards staff welfare Fund with Board	601.44	Listing and details not available. Impacts accuracy and completeness.
Sundry Creditors Payable Domestic (others)	2,357.13	Unexplained debit balance under Trade payables. Impacts accuracy.
Board of Trustees P.F. & Final Settlement	2,268.93	Listing and details not available. Impacts accuracy and completeness.
Advances to Contractors /Suppliers - O&M	3,520.26	Unexplained credit balance under Advances. Impacts accuracy.
Capital Advance for Projects	1,106.76	Listing and details not available. Impacts completeness, accuracy and valuation.

(x) We have not received sufficient and appropriate audit evidence with regard to employee related payables amounting to Rs. 4,066.62 lakhs included in other current financial liability. Consequently, we are unable to comment on the existence, completeness and accuracy of these balances. The potential impact, if any, on the Standalone Financial Statements is currently not ascertainable.

(y) The Company has calculated Deferred Tax Asset/ Liability on the basis of books of account. We are unable to comment on the said amount as calculated which may undergo change due to consequential impact of the aforesaid qualification in the Basis for Qualification para from point 3 (a) to 3(x).

4. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, but does not include the standalone financial statements and our auditor's report thereon.
6. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in Director's Report have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether the other information is materially misstated with respect to this matter.

Responsibilities of Management for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

    We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

12. As required by the "Directions and sub directions issued by office of the Principal Accountant General -III, Maharashtra in terms of section 143(5) of the Act, we give in the "Annexure B" a statement on the directions and sub-directions.
13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure C" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained, except for the possible effects of the matters described in the Basis for Qualified Opinion section above, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) In our opinion, proper books of accounts as required by law have been kept by th e company so far as it appears form our examination of those books except for the matters stated in the paragraph (h) (vi) below on reporting under rule

11 (g).The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g).

(f) In view of exemption given vide notification no.463(E) dated 5 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government company within the meaning of section 2(45) of the Act, provisions of section 164(2) of the Act pertaining to disqualification of Directors, are not applicable to the Company.

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure D".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Except as noted in para 3 (v) above, the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note no. 42 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv.

(1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

15. In view of exemption given vide notification no.463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of section 2(45) of the Act, provisions of section 197 of the Act pertaining to managerial remuneration, are not applicable to the Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 24101739BKEZUQ7356

Place : Mumbai
Date: September 27, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 24101739BKEZUQ7356

Place : Mumbai
Date: September 27, 2024

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of the Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2024

[Referred to in paragraph 12 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

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

Our report/findings on directions and sub-direction of CAG should be read in conjunction with our statutory audit report of even date on the Standalone Financial Statements of the Company for the year ended 31 March 2024.

1 **Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

M S K A Response

Yes, the Company has an SAP system to process all the accounting transactions through IT system.

During the course of audit, we noticed that the invoices generated by the profit centers are raised by State Transmission Utility (STU) and are fed into the system. Further, the Company does manual calculations with respect to unplanned depreciation, ageing adjustments, interest calculations on borrowings, amortization of premium on investments, deferment of grant, EIR calculation, apportionment of general establishment charges.

2 **Whether there is any restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender Company).**

M S K A Response

There were no such instances during the year under audit.

3 **Whether funds (grants/subsidy etc.) received/receivable for the specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.**

M S K A Response

Government Grants received by the Company towards capital assets for specific projects, outstanding as on March 31, 2024 amount to Rs. 27,726.94 Lakhs which are deferred for recognition as revenue. Details of such grants along with asset specifications, conditions to be satisfied are not made available to us. Further, the recognition of the deferment is not in accordance with the underlying scheme / conditions. (Refer Para 3 (u) of our Audit report of even date)

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

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

M S K A Response

The following classification of Inventory has been made by the Company.

Description	Amount as at 31st March 2024 (Rs. In Lakhs)	Note no. of Financial Statements
Steel	801.67	Note no. 10 "Inventories" of financial statements
Transformers	21,121.01	
Metering equipment & substation equipment	10,826.69	
Cables & Conductors	8,837.28	
Spares	1,140.87	
Others	3,974.62	
Loss due to Material pending investigation	162.65	
MASA Stock	(114.34)	
Obsolete materials stock (including scrap)	720.90	
Provision for loss pending investigation	(1,089.78)	

With respect to the valuation of inventory refer Para 3(I) of our Audit report of even date

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

M S K A Response

List of negative balances under "Advances to Contract" as on 31st March 2024 along with balances is enclosed as Appendix 1. With respect to impact on the financial statements refer Para 3(w) of our Audit report of even date.

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

M S K A Response

Yes, however impact, if any, on account of matters stated under basis of qualification under para 3 of Auditor's Report to be considered.

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

M S K A Response

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

Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)	Reactive Power Compensation (MVAR)
765 KV	1	3,000	0	720
500KV HVDC	2	3,582	1,504	0
400KV	33	34,048	8,464	3,740
220KV	254	60,840	19,882	25
132KV	365	31,530	18,569	3,300
110KV	41	2,605	1,798	130
100KV	39	2,823	706	0
66KV	7	170	595	0
33/22/11 KV	0			2,598
Prephase Capacitor Banks commissioned before 2015				2,271
Total	742	1,38,598	51,518	12,784

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

HVAC System (MERC Benchmark 98%)		
Year	2023-24	2022-23
Availability	99.69%	99.65%
HVDC System (MERC Benchmark 95%)		
Year	2023-24	2022-23
Availability	95.29%	95.34%

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

M S K A Response

We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the information in this regard is furnished as under.

The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the FY 2023-24 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:

Intra State Transmission System (In. STS) Grid Loss for FY 2023-24	Energy Input Intra STS	Energy Output Intra STS	Transmission Loss
Month	**(In Million Units)**	**(In Million Units)**	**(In %)**
Apr-23	17035.64	16403.68	3.71%
May-23	17732.08	17101.52	3.56%
Jun-23	17103.57	16519.3	3.42%
Jul-23	14752.31	14273.89	3.24%
Aug-23	16105.7	15587.51	3.22%
Sep-23	15409.62	14903.89	3.28%
Oct-23	17625.07	17002.96	3.53%
Nov-23	16261.73	15745.6	3.17%
Dec-23	15643.98	15184.59	2.94%
Jan-24	16512.92	16043.28	2.84%
Feb-24	16209.95	15712.58	3.07%
Mar-24	17928.62	17352.53	3.21%
Total	**198321.19**	**191831.33**	**3.27%**

From perusal of the table above, it is evident that Transmission Losses incurred by MSETCL was 3.27% which is below the MERC's benchmark. The said loss in accounting parlance is to be termed as "Normal Loss" not requiring any separate accounting in the books of accounts.

(vi) Whether the assets have been constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the books of Accounts.

M S K A Response

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

The ORC details location wise which are made available to us by the management are as follows:

Sr. No.	Zones	ORC works as at 01.04.23 (Nos.)	ORC works added during the year (Nos.)	ORC works completed during the year (Nos.)	Balance ORC works remaining as at 31.03.24 (Nos.)
1	Amravati	16	0	10	6
2	Aurangabad	12	7	5	14
3	Karad	7	2	4	5
4	Nagpur	24	18	2	40
5	Nasik	15	6	2	19
6	Pune	123	23	7	139
7	Vashi	70	8	3	75
	Total	**267**	**64**	**33**	**298**

During the year, outstanding balances of deposits taken from parties are Rs. 1,59,987.71 Lakhs (Previous Year: Rs 1,24,988.85 Lakhs) out of which deposits amounting to Rs.14,999.51 Lakhs are unreconciled and information for the same is not available with the Company. Further, the ultimate ownership of such assets is with the Company. The deposits collected from them is adjusted against the Assets constructed and a nominal value of Re. 1 is kept in the Asset Master for identification purposes.

Company also executes projects for evacuation of power in case of generation of energy from non-conventional sources. As per accounting policy 2.19(B), 50% of the cost of such power evacuation project is borne by the Company and balance 50% is to be reimbursed by Maharashtra Energy Development Agency (MEDA) to the respective private developer. In such cases also, there is no handover of the assets to the other agencies.

Execution of MEDA project is done in two ways. (i) Wherein the vendor gives the entire amount beforehand for execution of the project to the Company as ORC deposit and the Company after the execution of project reimburses 50% of the cost to the vendor and creates the asset of the same value and the remaining 50% is paid by MEDA to the vendor. (ii) Wherein the vendor itself executes the project and the Company subsequently pays 50% of the cost of project to the vendor and MEDA reimburses the remaining 50% to vendor. Complete details of such projects falling under MEDA grant are not readily available with the Company. As a result, whether Asset Capitalization of such MEDA projects are accurate or not cannot be commented upon. Due to which any amount falling under GL Code 123100 and 131010) with respect to MEDA Project cannot be commented upon.

(vii) Examine whether the provisions of the Companies Act were followed w.r.t reporting and disclosures of CSR Activities.

M S K A Response

Yes, Appropriate disclosure has been provided under note no 49 of financial statements .

(viii) Whether the PSU's is working or inactive.

M S K A Response

Yes, the PSU is working.

(ix) Items contained in the inspection report of CAG in previous year and remaining open till the date of Balance Sheet under report.

M S K A Response

Refer Appendix 2 (a),(b) & (c) to this report.

(x) Other Matters

M S K A Response

1. The Company has to prepare Risk control Matrix and policies and procedures with respect to key areas and update the existing Risk Control Matrix.
2. The scope and coverage of internal audit should be enhanced.
3. The Company should take positive actions to resolve qualifications.
4. There has to be enhanced coordination between the zones and head office.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 24101739BKEZUS5670

Place : Mumbai
Date: September 27, 2024

Appendix 1

Vendor Code	Balance as at 31st March 2024	Vendor Code	Balance as at 31st March 2024	Vendor Code	Balance as at 31st March 2024
4000001261	-9,87,47,246.61	4000002857	-15,45,259.84	4000000294	-31,265.00
4000012317	-2,43,56,509.01	4000007876	-15,40,641.00	4000002775	-30,590.00
4000000112	-1,92,50,507.31	4000002952	-10,35,110.00	4000004504	-29,137.00
4000000399	-1,87,77,415.00	4000000140	-9,74,400.00	4000000330	-22,503.07
4000004511	-1,00,73,614.00	4000000088	-7,95,413.97	4000005316	-18,200.00
4000001260	-67,77,489.36	4000002446	-4,08,000.00	4000000711	-17,787.97
4000000011	-62,34,981.00	4000000043	-3,91,817.00	4000002851	-16,684.00
4000001895	-59,15,980.00	4000000234	-3,67,165.35	4000002849	-16,300.70
4000000052	-55,71,088.00	4000002390	-3,33,125.00	4000009651	-14,607.00
4000001067	-54,98,448.20	4000001259	-3,05,750.00	4000010117	-14,568.00
4000002487	-37,65,891.91	4000001080	-2,97,567.00	4000014814	-14,500.19
4000007599	-31,41,524.25	4000009209	-2,62,200.00	4000000727	-13,505.00
4000000391	-28,31,108.84	4000001042	-2,32,270.00	4000002782	-12,543.00
4000000667	-25,28,003.76	4000000001	-2,04,747.00	4000007429	-11,100.00
4000000441	-24,96,725.22	4000003173	-1,95,146.00	4000007596	-10,256.00
4000009775	-24,77,691.89	4000014171	-1,70,237.37	4000000279	-8,565.20
4000000154	-20,59,224.00	4000004022	-1,06,833.82	4000001755	-7,981.00
4000000031	-19,85,840.00	7000000481	-47,615.63	4000000305	-6,425.00
4000007864	-18,97,042.13	4000005346	-45,219.00	4000008587	-6,000.00
4000000276	-17,01,158.00	4000002669	-34,926.00	4000001771	-5,800.00
4000000298	-1,425.00	4000010062	-273	4000006898	-5,800.00
4000005868	-1,027.00	4000016313	-160	4000005602	-3,971.00
4000007760	-808.8	4000007014	-151.68	4000008132	-2,676.00
4000001522	-514.42	4000002633	-150.71	4000015768	-2,184.27
4000017028	-431.04	4000016141	-113.76	4000006072	-2,107.00
4000006884	-313.24	4000005317	-105	4000000829	-1,600.25
4000011450	-105	4000005797	-105	4000000294	-31,265.00
4000001261	-9,87,47,246.61	4000002857	-15,45,259.84	4000002775	-30,590.00
4000012317	-2,43,56,509.01	4000007876	-15,40,641.00	4000004504	-29,137.00
4000000112	-1,92,50,507.31	4000002952	-10,35,110.00	4000000330	-22,503.07
4000000399	-1,87,77,415.00	4000000140	-9,74,400.00	4000005316	-18,200.00
4000004511	-1,00,73,614.00	4000000088	-7,95,413.97	4000000711	-17,787.97
4000001260	-67,77,489.36	4000002446	-4,08,000.00	4000002851	-16,684.00
4000000011	-62,34,981.00	4000000043	-3,91,817.00	4000002849	-16,300.70
4000001895	-59,15,980.00	4000000234	-3,67,165.35	4000009651	-14,607.00
4000000052	-55,71,088.00	4000002390	-3,33,125.00	4000010117	-14,568.00
4000001067	-54,98,448.20	4000001259	-3,05,750.00	4000014814	-14,500.19
4000002487	-37,65,891.91	4000001080	-2,97,567.00	4000000727	-13,505.00
4000007599	-31,41,524.25	4000009209	-2,62,200.00	4000002782	-12,543.00
4000000391	-28,31,108.84	4000001042	-2,32,270.00		

Appendix 2 (a), (b) & (c)

Appendix 2 (a) - Items contained in the Inspection report of CAG for FY 2021-22 and remaining open as at 31 March 2024			
Sr. No.	**CAG's Comments**	**MSETCL's Reply**	**Auditors' Remarks**
A	**Comments on Profitability**		
	Statement of Profit & Loss		
	Revenue		
	Revenue from operations (Note 21) : Rs.4,863.80 crore		
	Additional Transmission and regulatory charges- Rs. 112.12 crore		
1	This includes Rs.55.35 crore towards Additional Transmission charges receivable from Maharashtra state Electricity Distribution Company Limited (MSEDCL) for the period November 2020 to March 2021. This has resulted in overstatement of total Comprehensive income and understatement of opening Retained Earnings by Rs 55.35 crore	Additional Transmission Charges for FY 2020-21 were booked as income of FY 2021-22. In FY 2022-23, there is no impact of this transaction'.	
	Expenses		
	Employee Benefit expenses (Note 24): Rs 1,164.26 crore		
	Staff welfare expenses : Rs 49.55 crore		
2a	Above does not include claims Rs 4.60 crore received by the families of deceased employees (due to covid pandemic) in 2021-22 towards Ex gratia and Group Insurance	Reimbursement of death claim due to covid for FY 2020-21 were booked as expenses of FY 2021-22. In FY 2022-23, there is no impact of this transaction'.	This does not pertain to the year under audit.
2b	The above also does not include Rs. 0.09 crore being expenses for medical health checkup incurred for 250 employees of Company in March 2022. This has resulted in overstatement of Total Comprehensive Income and understatement of Provision (Note 20) under Current Lability by Rs 4.69 crores.	Payment of Medical Health checkup for FY 2020-21 were booked as expenses of FY 2021-22. In FY 2022-23, there is no impact of this transaction	This does not pertain to the year under audit.
	Other expenses- (Note 26) Rs. 403.15 crore		
	Rates and Taxes - Rs. 16.72 crore		
3	This includes Rs. 0.99 crore towards property taxes for the period 2009-2010 to 2020-21 Accounting of property taxes for earlier years in current year resulted in understatement of Total Comprehensive Income and overstatement of opening Retained Earnings Rs 0.99 crore.	Payment of Property Tax period prior to FY 2020-21 were booked as expenses of FY 2021-22. In FY 2022-23, there is no impact of this transaction'	This does not pertain to the year under audit.
B	**Comments on Financial Position**		
	Balance Sheet		
	Assets		
	Non-current Assets		
	Property, Plant and Equipment (Note: 4.1) : Rs. 15,812.02 crore		
1	The Company did not capitalize assets valued at Rs 4.11 crore being the claim towards the cost of quantity variations in respect of construction of 132 kv SCDC kankavali- kudal line along with end bay each at kankavali and kudal as per the disclosed Accounting Policies at Note No 2.6 . This was proposed and discussed in the 152nd Board meeting held on 29 December 2021 and later approved in 156th meeting of the Board held on 04.08.2022 (prior to approval to the Annual Accounts of the Company) This has resulted in understatement of Property, Plant and Equipment (PPE) (Note 4.1) and consequent understatement of Trade Payable under Current Liabilities (Note 18.2) by Rs 4.11 crore.	The order was awarded to M/s KPTL for Rs 97256063.48/- vide WO NoMSETCL/CO/CE/Tr.PROJ.EPC/LL2-A/11690 dt 27.08.2009. It is to mention that the Interium Quantity Veriation (I-QV) was approved at 27.54% for amounting Rs 26787094/- Vide CO approval	Issue is status quo. We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.

2	The Property, Plant and Equipment (PPE) do not include Rs 51.02 crore on 56 different completed/available for use/ charged/commissioned works[1] prior to 31st March 2022. These works should have been capitalized in accordance with the disclosed Accounting Policies of the Company with regard to PPE (Note 2 (2.6)) and depreciation (Note 2.9) Non capitalisation of above resulted in understatement of Property, Plant and Equipment (Note: 4.1) and overstatement of Capital work in Progress (CWIP) (Note 4.2) by Rs 51.02 crore . This has also resulted in non charging of depreciation for the year to the extent of Rs 1.28 crore with corresponding overstatement of Total Comprehensive Income for the current year and overstatement of opening balance of Retained Earnings by Rs. 1.05 crore pertaining to the previous year	MSETCL/CE/CO/PT/TKC-II/Kankavali-Kudal/No 8564 dt 01.08.2017 .the bills were booked upto the IQV figures. scheme was commisioned as on 08.03.2022.It is to state that the capitalization figures were inclusive of IQV amounts .Further the Final QV for Rs.4.11 cr.(including I-QV of Rs.2.67 Cr.)was approved by Board of Directors in 156th meeting vide reference No. BR No.156/35 dtd.26.08.2022 however, budget enhancement proposal was approved & updated in SAP in Aug. 2023.Further the MIGO no 5000703572 for amount of Rs 13884138.12 & MIRO No5105610679/31.03. 2024 was done in system .Due to the booking of bills after final QV, amount of WIP was capitalized as on 31.03.2024 for Rs 2296109.11/-.(CJ 888 NO 100283286 for Rs 1942862.13 & 100252356 for Rs 353246.98/-) except the amount of unused material amounting(tower material & nut bolt) for Rs 11921276/-same will be transfered to other project (but not for R&M works)as per actual requirement of material	
	[1.] includes Rs.1.48 crore towards crop compensation, General Establishment Charges (GEC) and Interest During Construction (IDC) in respect one work, Rs.1.21 crore being GEC of one work, Rs.23.80 croes being the cost of one substation work which had to be capitalised as per circular No.8315 (Capex circular No.1) dated 31/05/2012 regarding capitalization of assets (in case of new substations, where the transfomers/ICTs gets charged, the Sub-station should be capitalized, though the scheme has not been completed.) and Rs.24.53 crore on 53 other different works.		
	Current Assets		
	Other Current financial Assets (Note 10.5) : Rs 51.29 crore		
	Other receivable - Rs. 7.31 crore		
3	Above does not include Rs 3.03 crore being short deposit by Maharashtra Rail Infrastructure Development Corp Ltd. for Outright Contribution work (ORC deposit work) (132 KV power supply of EHV level for traction substation at village Patansaongi). As against the total cost of Rs 12.80 crore ORC deposit work (cost inclusive of	The amount of Rs.3.03 crore is accounted as receivable from Rail Vikas Nigam Ltd. (RVNL) in this financial year	The management has passed the requisite entries during FY 2022-23. We have verified the same.

<table>
<tr><td></td><td colspan="4">expenditure actually incurred and supervision charges, GST) executed by the Company as on 31 March 2022, it received deposit of only Rs 9.77 crore from ORC consumer. the Company creates Current Liability on receipt of deposit from ORC consumers and during execution of work, CWIP is debited and on completion of work, the CWIP is adjusted against the current liability created earlier on receipt of deposit.</td><td>2022-23 vide document no.100179933 dt:-30.11.22.</td><td></td></tr>
<tr><td></td><td colspan="4">Non accounting of Rs 3.03 crore as receivable from ORC consumer resulted in understatement of Other Receivables under Other Current Financial Assets and understatement of Current Liabilities by Rs 3.03 crore.</td><td></td><td></td></tr>
<tr><td></td><td colspan="6">Equity and Liabilities</td></tr>
<tr><td></td><td colspan="6">Liabilities</td></tr>
<tr><td></td><td colspan="6">Non-current liabilities</td></tr>
<tr><td></td><td colspan="6">Financial Liabilities</td></tr>
<tr><td></td><td colspan="6">Other non-current financial liabilities (Note 14.2) : Rs 2,464.20 crore</td></tr>
<tr><td></td><td colspan="6">Deposit received from consumer under ORC schemes : Rs 1,231.46 crore.</td></tr>
<tr><td rowspan="11">4</td><td colspan="4">The above includes deposits received for ORC works, which have been completed as detailed in the below table :</td><td></td><td></td></tr>
<tr><td>Sr. No.[2]</td><td>Name of the work</td><td>Date of Completion</td><td>Amount (Rs in crore)</td><td></td><td></td></tr>
<tr><td>1</td><td>220 KV Kharbao TSS included under 220 KV Kamba Kharbao and Kolshet Kharbao lines</td><td>05.02.2022</td><td>7.02</td><td rowspan="6">As the relevant expenditure booking is still going on for these projects after commissioning, i.e. compensation etc., final expenditure will be adjusted against underlined deposit after completion of the scheme.</td><td rowspan="6">Issue is status quo. Based on our inquiry with the management we were informed that the said deposits will be adjusted on the compilation of the project instead of FY 22-23. The concerned matter is covered in Para 3(J) under 'Basis for qualified opinion' section of our Report on the Audit of the Standalone Financial Statements for FY 23-24.</td></tr>
<tr><td>2</td><td>220 KV Tarapur Boiser line Location 37</td><td>28.02.2022</td><td>0.83</td></tr>
<tr><td>3</td><td>220 KV Vasai PGCIL line location 54-58</td><td>27.01.2020</td><td>0.37</td></tr>
<tr><td>4</td><td>Rerouting of 132 KV Dahanu (MIDC) - Boisar line between loc no 62 to 64 including work of rerouting of 132 KV dahanu (MIDC) - Boisar line between loc no 62 to 64.</td><td>26.03.2021 and 27.03.2021</td><td>1.62</td></tr>
<tr><td>5</td><td>Shifting / Height raising of 220 KV DC Kharghar Top worth and Kharghar Panvel TSS line between loc no 646 to 649.</td><td>15.02.2019</td><td>0.87</td></tr>
<tr><td>6</td><td>Height raising of 220 KV S/C Umred - Top with Urja feeder at Loc No 19 to 23 executed for Maharashtra Rail Infrastructure Development Corp Ltd.</td><td>13.02.2022</td><td>1.26</td></tr>
<tr><td></td><td>Total</td><td></td><td>11.97</td><td></td><td></td></tr>
<tr><td colspan="4">Thus, non adjustment of above completed works from CWIP against the existing Current Liability, resulted in overstatement of Current Liabilities and overstatement of CWIP to the extent of Rs 11.97 crore.</td><td rowspan="2"></td><td rowspan="2"></td></tr>
<tr><td colspan="4">[2] Works at Sr No 1 to 5 amounting to Rs 10.71 crore was executed and charge/completed for Dedicated Freight Corridor Corporation of India Ltd., under ORC deposit work</td></tr>
</table>

Appendix 2 (b) - Items contained in the Inspection report of CAG for FY 2020-21 and remaining open as at 31 March 2024			
Sr.No.	**CAG's Comments**	**MSETCL's Current Response**	**Auditors' Remarks**
A	**Comments on Financial Position**		
	Balance Sheet		
1	**Property, Plant and Equipment (Note : 4.1) : Rs.16,224.71 Crore**		
(a)	The Company had handed over most of the 66 kV sub-stations and lines to M/s MSEDCL between 1989 and 2021, however, these assets were not removed from the fixed assets as mandatorily required under Ind AS 16. This has resulted in -	The Company was having transmission network level ranging from 66 KV to 765 KV. In order to standardize the transmission level throughout Maharashtra, it was decided to abolish/eliminate 66 KV from the transmission network of the Company. Most of the abolished and decommissioned sub-stations and lines at 66 KV level were handed over to M/s MSEDCL and remaining sub-stations and lines would be handed over to MSEDCL or will be utilized by MSETCL for up-gradation work, if any, in near future after ensuring arrangement for feeding the existing consumers.	The concerned matter is covered in Para 3(g) under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2023-24. As further noticed, handing over of 66KV sub stations/ TL to MSEDCL is not supported or reflected by any written document or execution of transfer agreements
	1. Overstatement of gross block of fixed assets, accumulated depreciation and carrying cost to the extent of Rs. 140.24 Crore, Rs. 102.78 Crore and Rs. 37.46 Crore respectively.	With regard to the above facts the modalities of de-recognition, disposal and for determining consideration for such transfer of Assets of 66 KV level will be decided in consultation with technical team and necessary accounting entries will be passed accordingly in compliance with Ind AS-16.	
	2. Understatement of trade receivables from MSEDCL to the extent of Rs. 24.73 Crore.	Necessary policy framing for the treatment of 66KV Assets in the books of MSETCL is under process.	
	3. Provision for expected loss of Rs. 12.731 Crore towards impairment loss not charged to profit and loss account; consequently, profit for the year was overstated to the same extent.		
	4. Carrying cost of the 174.24 kms of dismantled lines amounting to Rs. 0.80 Crore was not recognized as loss resulting in overstatement of profit for the year to the extent of Rs. 0.80 Crore.		
(b)	This included unused assets with a gross block of Rs. 144.67 Crore, accumulated depreciation of Rs. 109.14 Crore and carrying cost of Rs. 35.53 Crore. The Company has not ascertained the indication of impairment of these assets. Loss on this account and consequent overstatement of profit could not be ascertained for want of details.	As per the details available in field units, the GL 222010 "Asset not in use" includes material/assets which are removed from Asset Register as the same are not in active use. This group consist of items which are sent for repair which may again be put to use after repairs and items of scrapable in nature which are to be disposed off after proper approval of the Competent Authority. These assets being not in active use are not offered for impairment test as items of scrapable nature would be disposed off with or without gain in the realizable value. The proper treatment can only be ascertained after the scraping procedure is completed.	The concerned matter is covered in Para 3(h) under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2023-24.

		MSETCL would initiate a process of physical verification of Fixed Assets which would appropriately bifurcate the items appearing under "Asset not in Use" head as Scrapable or Reusable. Necessary accounting treatment in the Books of Accounts would be done after the said activity.	
2	**Capital Work in Progress (Note 4.2) : Rs. 3,342.81 Crore**		
	The Company decided to dismantle 79 tower foundations and 69 towers constructed at a cost of Rs. 25.17 Crore in the Giant Metrewave Radio Telescope (GMRT) area of the National Centre for Radio Astrophysics (NCRA). As no future economic benefits can be derived from the same, cost of the towers should have been withdrawn from the WIP in terms Ind AS 16 and the Accounting Policy of the Company, which was not done.	1) With regard to 400KV Babhaleshwar – Kudus line, since the work of 79 foundations and 60 erections was executed by the agency, the above expenditure is booked and considered in the actual cost of Project. Since this had become an unidentified additional expense, considering this expenditure, the budget enhancement proposal was proposed and has got approved from Competent Authority. Further, considering the additional work of these abandoned towers, and their dismantling work, the quantity variation proposal was proposed and has got approved from Competent Authority. 2) As per the expert committee recommendation, the additional material required for diversion of line as per technical specifications given by expert committee, the extra item proposal was proposed and has got approved from Competent Authority. Thus, the Competent Authority has revised and revalidated the MBR 56/20 Dt.24.08.2010 considering all the additional expenses required for this line diversion and have approved the new MBR No. 146/21 Dtd.16.03.2021.	The concerned matter is covered in Para 3(k) under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2023-24.
	This has resulted in- a. Overstatement of Capital Work-in-progress to the extent of Rs. 25.17 crores. b. Understatement of expenses to the extent of Rs. 3.23 Crore being the irrecoverable cost of the civil foundation of towers and consequent overstatement of profits for the year to the extent of Rs. 3.23 Crore. c. Out of Rs. 21.94 Crore, cost of useable towers should have been taken into stock and the balance charged to profit and loss account. Financial impact on this account is not ascertainable for want of details.	The 60 Nos of towers which will be dismantled are to be reutilized to other locations (Vashi Zone and Nashik Zone). The cost of these towers are Rs.21.94 Cr. The work of dismantling is under progress and the process of requisite entries is being done in SAP accordingly. Proposal has been submitted by the Nashik Project Circle to CO for approval. However queries are raised by CO , which are in process.	

B	**Comments on Disclosures**		
	In response to the CAG Comments on the Standalone Financial Statements for the year 2019-20, the Company assured to pass necessary corrective entries during 2020-21. However, the following assurances were not complied with.		
	Decommissioning of transformers costing ₹ 8.32 crore due to theft of copper in it by the repairing agency.	The Company is in the process of identifying and de-recognition of Assets given to M/s Aditya Vidyut Appliances for repair purpose.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
C	**Comments on Auditors' Report**		
	Under para 2.18 and 2.22 of the modified Opinion of the Auditors on the Standalone Financial Statements, the Auditors have modified on the non-furnishing of details/data (19 general ledgers) and non-conformation and reconciliation of the data (116 general ledgers) by the Company. The modified opinion of the Auditors has been given in general and non-specific terms by including a list of most of the important general ledger balances which have major financial impact on the financial statements.	All the available data and supporting details were submitted to the Auditors for verification. However, there are several items of old nature whose supporting is not available in Accounting Units. Necessary decision for the write off/writeback of such old amounts would be done after due approval of Competent Authority.	Not Applicable as we are appointed as statutory auditors for the Financial Year 2022-23
	The modified opinion does not include specific observations on the financial activities of the Company and its impact on the financial statements. Thus, the members of the company and other stakeholders are not appraised of the modified opinion on many financial aspects of the standalone financial statements.		

Appendix 2 (c) - Items contained in the Inspection report of CAG for prior to FY 2020-21 and remaining open as at 31 March 2024

Sr.No.	CAG's Comments	MSETCL's Current Response	Auditors' Remarks
A	**Comment on Profitability**		
	Statement of Profit & Loss		
1	**Other Income (Note 22) :**		
(a)	This includes Rs. 3.81 Crores, being the supervision charges deposited by third parties in three circles for Outright Consumers works for which the works are not taken up/completed. This resulted in overstatement of Other Income and profit and understatement of Other Non-current Liabilities by Rs. 3.81 Crores.	As per Para 35 of Ind AS 115, an entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met: a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs, or b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, or. c) the entity's performance does not create an asset withan alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts.	The concerned matter is covered in Paragraph 3 (a) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.
(b)	This does not include Rs. 30.46 Crores being interest recoverable on mobilisation advances which should have been recognised. Non recognition is not in conformity with the accounting policy adopted by the Company. This resulted in understatement of other miscellaneous income and profit for the year by Rs. 30.46 Crores and understatement of Trade Receivables to that extent.	As per the accounting policy of the company disclosed under Note No 2.15 of the Standalone Financial Statements, interest income is accounted on accrual basis considering the certainty of the revenue. Further, the purpose of retention amount and bank guarantees with the Company is to secure performance of the contract and not to recover interest which is yet to be accepted by the agencies. With regard to the interest on mobilization advance given to contractors, the company has initiated the process to recover the same and its recognition as income in books of account.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
2	**Other Expenses (Note 26) : Security Expenses**		
	This does not include Rs. 6.39 Crores being applicable GST on security expenses for the year. Non provision for GST resulted in understatement of expenses and overstatement of profits by Rs.6.39 Crores and understatement of Other Current Financial Liabilities to the extent of Rs.14.08 Crores (including Rs. 7.69 Crores GST liability for the previous years).	As per Circular No. 89/7/2006- ST Dated: 18th December, 2006, sovereign/public authorities (i.e. an agency constituted/set up by government) perform certain functions/ duties, which are statutory in nature. These functions are performed in terms of specific responsibility assigned to them under the law in force. The activities performed by the sovereign/public authorities under the provision of law are in the nature of statutory obligations which are to be fulfilled in accordance with law. Such activity is purely in public interest and it is undertaken as mandatory and statutory function. These are not in the nature of service to any particular individual for any consideration. Therefore, such an activity performed by a sovereign/public authority under the provisions of law does not constitute provision of taxable service to a person and, therefore, no service tax is leviable	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.

		on such activities. Considering the above facts security expenses being charged by SGB to MSETCL is exclusive of GST.	
3	**Other Expenses (Note 26) : Miscellaneous Losses and Provisions**		
	This does not include provision on disputed transmission charges of Rs.49.68 crore already recognised but pending before the Appellate Tribunal for Electricity. The transmission licensee (M/s Sai Wardha Power Generation Ltd.) is also under the Corporate Insolvency Resolution Process. Non-Provision on the disputed claim is not in conformity with Ind AS 18 - Revenue resulting in understatement of other expenses and over statement of trade receivables with consequent overstatement of profit for the year by Rs.49.68 crore.	There is a valid Bulk Power Transmission Agreement (BPTA) with M/s SWPL in pursuance of which invoices has been raised for transmission charges for the allocated capacity of 130/135 MW coupled with favourable decision of Hon'ble MERC in the instant matter. Though the matter is further pending with APTEL for its final decision, NCLT has initiated corporate insolvency proceeding against M/s SWPL under Insolvency and Bankruptcy Code 2016 (IBC), wherein IRP has been appointed and admitted a claim of Rs. 34.00 crore against the total claim lodged by the Company of Rs. 119.51 crore keeping the balance amount of claim as contingent claim. It is noteworthy that the IRP has not rejected any amount of claim made by the company. Recently, NCLT has issued an order dated 17/10/2019 in the matter of IBC proceedings against M/s SWPL approving the Resolution plan submitted by the Resolution applicant wherein the admitted and contingent claim of operational creditors has been proposed to be paid in the phased manner within a period of 24 months as per the Resolution plan incorporated in the said order. In view of above, the provision for doubtful debts (Rs.8851.41 Lakhs) made in the books of accounts for the said receivable amount seems to be sufficient and hence no further provision has been made in the F.Y. 2021-22. MSETCL received Rs. 15 lakhs vide NCLT order no. 275/7/HDB/2019 dated 17/10/2019 as against the company claim of Rs. 119.51 crore. Further, MSETCL filed for appeal in NCLAT. NCLAT dismissed the appeal in Order No. 1401/2019 dated 03/02/2020. MSETCL has filed for appeal in SC to challenge NCLAT order.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
B	**Comments on Financial Position**		
	Balance Sheet		
1	**Capital Work-in – Progress (Note 4.2) :**		
(a)	This includes Rs. 2.70 Crores being deposits taken from parties for construction of bays which had been allotted during the year. However, the amount was not adjusted from deposits. This resulted in overstatement of Other Non-current Financial Liabilities (Other deposits) and overstatement of other non-current assets by Rs. 2.70 Crores.	The reconciliation is in process and the deposit will be knocked off against the assets in FY 2022-23.	The concerned matter is covered in Paragraph 3 (j) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.

<table>
<tr>
<td>(b)</td>
<td>This includes Rs 217.00 Lakhs incurred by the Company towards the security charges at work site which was recoverable from the Contractors. This has resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables to the extent of Rs. 217.00 Lakhs.</td>
<td>MSETCL had awarded the work of 220KV Nandgaon Peth Substation ("S/Stn") and 220KV Anjangaon S/Stn along with its associated lines in Amravati District and 220 KV Malegaon S/St and 132 KV Jalgaon Jamod S/Stn along with their associated lines in Buldhana District to M/s ECI -Shanghai JV. However, due to non-performance of M/s ECI-Shanghai JV, MSETCL had terminated their EPC contract vide letter MSETCL/ED(P)/EPC/6243 dated 08/05/12.

In order to safeguard the materials and assets w.r.t. the above-mentioned projects lying at the above-mentioned sites and to avoid the possibility of theft, the competent authority decided to provide MSETCL's security at those sites. Thus, the expenditure so incurred on providing services of security guards during the period 2011-12 to March 2017 was accounted for under Capital Work in Progress.

MSETCL, in turn has awarded the contract on 'risk and cost basis to other contractors for completion of above-mentioned schemes of M/s ECI Shanghai. The company will certainly initiate recovery of such excess charges incurred from the erring contractor i.e., M/s ECI Shanghai. There are no future claims expected from M/s ECI, so option of encashment of BG is being explored. However, the matter is subjudised. The decision will be taken subject to final decision of the Court.</td>
<td>Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.</td>
</tr>
<tr>
<td>(c)</td>
<td>This also includes Rs 159.42 Lakhs being ineligible price variation paid to the contractors on the tax element included in the price of the materials which resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables by Rs 159.42 Lakhs. Excess payment of price variation of Rs. 31.20 Lakhs due to incorrect basis price.</td>
<td>Recovery of excess PV amounting to Rs. 169.73 Lakhs was recovered from the following contractors :
(Rs. In Lakhs)
<table>
<tr><th>Name of agency</th><th>Excess PV Recovery</th></tr>
<tr><td>M/s ECI</td><td>23.53</td></tr>
<tr><td>M/s KPTL</td><td>44.90</td></tr>
<tr><td>M/s KEC</td><td>77.09</td></tr>
<tr><td>M/s JSL</td><td>8.90</td></tr>
<tr><td>M/s GE (Alstom)</td><td>15.31</td></tr>
<tr><td>Total</td><td>169.73</td></tr>
</table>
Excess price variations paid to M/s. ABB in r/o 132KV Karanja SS. EHV Project division Akola has deducted to the tune of Rs. 10.04 Lakhs vide Document no. 100161751 dated 18 December 2022.</td>
<td>Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.</td>
</tr>
<tr>
<td>2</td>
<td colspan="3">Trade Receivables (Note 10.2) :</td>
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<tr>
<td></td>
<td>This does not include the differential amount of ORC receivable from Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL"), resulting in understatement of trade receivables and overstatement of ORC work-in-progress by Rs. 18.68 Crores.</td>
<td>As far as the matter of accounting based on demand notice is concerned towards interest income of Rs. 12.63 Crores, the company does not recognize any income on the basis of issuance of demand notice as is evidenced from the accounting policy adopted by the company as per Note No. 2.15 to the Standalone Financial Statements. The issue of demand notice doesn't entail into accrual of income.

As also with regard to ORC deposit, the same is accounted on the basis of receipt of the same, as issuance of demand notice doesn't result in increase in receivable and depends whether the other party is agreeing to it.</td>
<td>Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.</td>
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</table>

3	**Other Equity (Note 13) - Reserves and Surplus - Retained Earnings**		
	Central Electricity Regulatory commission (CERC) restricted (December 2017) yearly inter-state transmission charges of nine transmission assets at Rs. 5.99 Crores. Though the company recognized the decreed transmission charges of Rs. 5.99 Crores each during 2018-19 and 2019-20, the excess transmission charges already recognized during 2014-15 to 2017-18 amounting to Rs. 251.11 Crores was not derecognized. This has resulted in overstatement of retained earnings to the extent of Rs. 251.11 Crores with corresponding understatement of advance from customers under current liabilities to the same extent. Interest on Rs. 439.07 Crores (Rs. 251.11 Crores for 2014-17 and Rs. 187.96 Crores for 2018-20) was also not provided resulting in overstatement of retained earnings and understatement of advances from customers. Interest payable is not ascertainable for want of details from the Company.	As per CERC order in Petition No. 256/TT/2013 dated 18.05.2015 in which tariff for FY 2013-14 was Rs. 77.10 Crores (per year) which is revised by CERC order in Petition No. 173/TT/2016 dated 19.12.2017 for FY 2014-15 Rs. 5.99 Crores (per year). However even after revised order by CERC payment made by PGCIL was on the basis of earlier order till September 2019. After that there was no receipt by PGCIL. MSETCL is initiating the necessary reconciliation with PGCIL. MSETCL is filing a petition to CERC for the methodology to be adopted for the adjustment of excess Transmission Charges received. Balance reconciliation with PGCIL is in process.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
4	**Other Equity (Note no 13) : Reserves and Surplus**		
	This includes Rs 449.00 lakh being the cost of ORC works treated as Income during FY 2014-15. The Company assured to make necessary adjustment during FY 2016-17. The non-compliance of the assurance resulted in continuance of the overstatement of Reserves and Surplus and Fixed Assets to the extent of Rs 449.00 Lakhs with consequent effect on the depreciation and loss for the year.	The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	The concerned matter is covered in Paragraph 3 (j) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.

5	**Other Equity (Note 13) : Special Reserve Fund: Rs. 139.39 Crores**		
	This includes Rs. 76.58 Crores appropriated from profits during 2013-14 and 2014-15 as per the provisions of MERC Regulations, 2005. Though the constitution of Special Reserve Fund (SRF) was repealed by the MERC (MYT) Regulation, 2011 the Company continued the appropriation during 2013-14 and 2014-15 (even though the new regulations were applicable to the company during this period) resulting in unauthorized appropriation to SRFs and understatement of Retained Earning to the extent of Rs. 76.58 Crores. Accumulated SRF of Rs. 139.39 Crores has also been lying since April 2015.	As per MERC Regulations 2005, out of the total amount of Efficiency gain/losses, 1/3rd was to be shared with the TSU, 1/3rd was to be retained as special reserve to be offset against the future losses due to controllable factors (if any) and the remaining 1/3rd is to be shared with MSETCL. Accordingly, MSETCL has appropriated the 1/3rd amount of efficiency gain as Special Reserve in the respective years where the said regulation was applicable. Further, MSETCL had asked for deferment from MERC MYT Regulation 2011, which was applicable from FY 2011-12 to FY 2012-13. Thus, MERC Regulation 2005 was made applicable to FY 2011-12 and FY 2012-13 also. Vide the Tariff Order in Case No 207 of 2014 dated 26 June 2015 MERC directed that the 1/3rd of the Efficiency gain for FY 2012-13 be appropriated to the Special Reserve during the true up of FY 2012-13. Accordingly, the shortfall on the special reserve accounts was provided during FY 2014-15. Thus, there was no violation of regulation and the amount provided for during FY 2013-14 and FY 2014-15 were the shortfall pertaining to FY 2011-12 and FY 2012-13 respectively. Furthermore, as per Regulation 19.1(b) the special reserve is to be offset against the future losses due to controllable factors (if any). The O&M Expenses claimed by MSETCL are below the normative and thus there has been no loss till the last true up order hence the special reserve could not be utilised by MSETCL in the past years. If any such Efficiency loss arises in future, then the special reserve will be utilised in future. However, As per MERC Order Dt 30.03.2023, it has adjusted the said amount of Special Reserve while computing the ARR of MSETCL for FY 2023-24 & 2024-25. Hence, the Special Reserve would be adjusted against the MTC receivables in FY 2023-24.	This adjustment pertains to the year earlier than period under audit. We have inquired with the management and have been informed that the transaction is given effect to in the earlier years. We are unable to comment as we are appointed as statutory auditors for the financial year 2023-24.
6	**Other Non-Current Financial Liabilities (Note : 14.2)**		
(a)	This includes Rs 400.00 Lakhs being deposit for construction of bays under ORC works against which the existing bays were allotted to the parties. As such, the deposits of Rs. 400 Lakhs should have been set off by transferring the same to Other Income. This has resulted in understatement of Other Income and Overstatement of Non-current liabilities and loss to the extent of Rs. 400 Lakhs.	In order to execute ORC works, deposits are taken from the parties for whom company performs/executes such ORC works. Aurangabad EHV O&M Circle has executed 7 ORC works with Rs. 221 Lakhs including supervision charges and Nagpur O&M Circle had completed 8 ORC works worth Rs. 237 Lakhs. Work Completion Report (WCR) against all the ORC works executed were received in the month of November 2017. Necessary accounting entry will be passed when the assets will be identified in Fixed Asset Register in accordance with the guidelines issued in context to Ind AS Policy. MSETCL is in the process of carrying out physical verification of Fixed assets, on completion of the same, the identification of proper assets and its value for adjustment against the ORC deposit amount would be done.	Issue is status quo .We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.

(b)	In response to the Audit Comments for FY 2015-16, the Company assured to adjust the deposits pertaining to the completed ORC works amounting to Rs. 9,026.00 Lakhs during FY 2016-17 against Fixed Assets. The non-compliance of the assurance resulted in continuance of overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs. 9,026.00 Lakhs with consequent effect on the depreciation and the Loss for the year.	The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	The concerned matter is covered in Paragraph 3 (i) & (j) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.
(c)	This includes deposit of Rs. 45.09 Crores in respect of ORC works completed and commissioned during FY 2018-19. Non-adjustment of the deposits resulted in overstatement of deposits by Rs. 45.09 Crores and consequent overstatement of ORC work-in-progress under Capital Work-in-progress to that extent.	Three ORC works with capex expenditure amounting to Rs. 40.97 Crores have been capitalized by knocking off the deposit in FY 2018-19. Five ORC works having capex expenditure amounting to Rs. 4.12 Crores will be capitalized after finalizing QV / Final bills.	The concerned matter is covered in Paragraph 3 (i) & (j) within the 'Basis for Qualified Opinion' section of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24.
7	**Other current Financial Liabilities (Note : 18.3)**		
	This did not include Rs. 11.24 Crores being insurance premium charges recoverable from contractors and payable to Government of Maharashtra. Non-recovery of the same from the contractors has resulted in understatement of other current Financial Liabilities to the extent of Rs. 11.24 Crores with corresponding understatement of other current Assets to the same extent.	Necessary instructions are being issued to field Units to issue demand notes to the concerned Vendors for recovery of Insurance Charges. The same would also be adjusted against any amount of retentions withheld by MSETCL during the processing of RA Bills.	Issue is status quo. We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
8	**Other Current Liabilities (Note No.19) :**		
(a)	This does not include Rs. 13.06 Crores being non-assessment and non-recovery of the labour cess for the period July 2010 to March 2018 (Nashik Project Circle). This resulted in understatement of Other Receivables and Other	The labour cess is recovered and paid to the concerned authority in time. The balance amount would be recovered from the upcoming bills of the Vendors and the payment would be made immediately. Amount of Rs. 7.75 Crores has been recovered till date. The statement of the same is enclosed herewith. Further it is stated that Labour Cess of	The matter in question is addressed in paragraph 3(y) within the 'Basis for qualified opinion' section of our report on the audit of the Standalone Financial Statements for F.Y. 2023-24

	Current Liabilities by Rs. 13.06 crores.	Rs.0.97 Crores could not be recovered on the Work Orders issued to M/s Areva T&D India Ltd as per Letter No. MSETCL/CO/F&A/9156 dated 03.12.2019 which is also enclosed herewith.	
(b)	Goods and Service Tax (GST) is applicable to deposits received as consideration for the supply of goods or rendering services in terms of section 2(31) of the CGST Act, 2017. The Company has not collected and deposited GST on ORC deposits resulting in short assessment and collection of GST by Rs. 43.13 Crores (*) with consequent understatement of other current liabilities and other current assets to that extent.	In case of ORC works, MSETCL collects deposits from Outright Consumers before executing the works and treats as ORC Deposits in the books of accounts of MSETCL. It is shown in the liability side of the balance sheet of the MSETCL. This amount is finally set off against the actual cost of the construction/works at the time of completion of all activities of the works. Till the constructions stage, the expenditure incurred on these works is shown as Capital WIP and finally on completion of the works this deposit amount is set-off against the total works cost. The Asset is capitalized in the books of MSETCL at Re. 1. The Operation & Maintenance (O&M) of asset is carried out by MSETCL. As Asset is not transferred to the ORC Consumers, there was an ambiguity whether it is supply service or otherwise. MSETCL has submitted Application for Advance Ruling vide ARN AD270419019782S dated 25.04.2019 to Authority of Advance Ruling (AAR), GST Department regarding Applicability of GST on Deposit for Dedicated Distribution Facility (DDF)/ Dedicated Transmission System (DTS) /Out-right Contracts (ORC). The same is "Pending for Order" till date. However, as a conservative measure, MSETCL has issued Circular in May-19 for charging GST on the estimated cost of the ORC Works including supervision charges and same is paid to GST Authority. The decision regarding collection of GST on ORC deposit for the period from July'17 to March'19 shall be acted upon Order/Ruling from AAR in this regard. Order / Ruling from AAR is still awaited, meanwhile MSETCL has initiated the correspondence with AAR vide letter no.- 446 dated: 17.01.2020 & no.2650 dated 31/07/2020	Issue is status quo. We inquired about the matter during our audit for the financial year 2023-24, and the management's response was consistent with what has been provided here.
C	**Other Comments**		
1	**Significant Accounting Policies**		
(a)	As against the Corporate Social Responsibility (CSR) provision of Rs. 95.20 Crores during the years 2014-15 to 2016-17 and in 2019-20, the Company could spend only Rs. 20.37 Crores during the period from 2016-17 to 2019-20 on CSR projects and Rs. 74.83 Crores (78.60 per cent) remained unspent as of March 2020. However, the reasons for the non-utilisation were not specified by the Board in its report for the year 2018- 19 made under clause (o) of sub-section (3) of section 134 of the Act.	The Company has transferred the following amounts unspent as on April 30, 2021 in respect of Provisions made till FY 20-21 into a separate bank a/c. 1) Rs. 2,716.53 Lakhs – 30 April 2021 2) Rs. 2,500.00 Lakhs – 25 May 2021 3) Rs. 2,848.01 Lakhs – 28 May 2021 Further, the Company has transferred unspent amount of Rs. 1,743.26 Lakhs on 29 April 2022 in respect of provision made for FY 21-22 into a separate bank account. The Fact has been disclosed in the Financials.	The concerned matter is covered in Paragraph XX (a) and (b) within Annexure C of our 'Report on the Audit of the Standalone Financial Statements for FY 2023-24

ANNEXURE C TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED March 31, 2024.

[Referred to in paragraph 13 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i (a)

A. The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. The details of the same are as below :

Description of Property, Plant and Equipment, and relevant details of right-of-use assets	**Amount (Rs. In Lakhs)**
PPE	15,52,340.97
ROU	15,294.42

B. The Company has not maintained proper records showing full particulars of intangible assets. The details of the same are as below:

Description of Intagible Asset,	**Amount (Rs. In Lakhs)**
Deviation Settlement Mechanism Software	5.14

(b) All the Property, Plant and Equipment and right of use assets of the Company have not been physically verified by the management during the year. Accordingly, material discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether such material discrepancies have been properly dealt with in the books of account.

(c) The records relating to title deeds of all the immovable properties as reflected in the standalone financial statements (i.e Land Title, 7/12 extract etc.) are not maintained/updated and the same are not reconciled with the Standalone Financial Statements as at 31st March, 2024. In the absence of appropriate and complete records, we are unable to state whether all such immovable properties are in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. Discrepancies have been identified and adjusted by the Company , however the same can not be specifically identified. Accordingly, we are unable to comment whether such discrepancies are of 10% or more in the aggregate for each class of inventories.

(b) The Company has not been sanctioned any working capital limits during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information explanation provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year. Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and terms and conditions in relation to investments made are not prejudicial to the interest of the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has outstanding balances exceeding 365 days in security deposits which are deemed to be deposits under the provisions of section 73. Accordingly, the Company has contravened the provisions of Section 73 to 76 of the Act. Details are as follows:

Deposit accepted	Nature of Contravention	Amount Rs.in Lakhs
Security Deposit	Amount outstanding for More than 365 day	14776.99

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

Attention is drawn to para 3(q) under "Basis for Qualified Opinion" section of our audit report wherein we have mentioned that details with respect to stat dues amounting to Rs. 3,578.73 Lakhs contains old liabilities which is subject to reconciliation. We are unable to comment upon the adjustments / settlements arising from such reconciliation. Subject to aforesaid outstanding statutory dues there are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	19,000.84	2009-10	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	310.35	2010-11	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	4,212.98	2013-14	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	936.87	2013-14	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	17,524,47	2014-15	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	7,107.68	2016-17	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	14.27	2018-19	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	8,245.51	2020-21	The Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	96.60	2021-22	The Commissioner of Income-tax (Appeals)

viii.According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)©)of the Order is not applicable to the Company.

(d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its associates.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate companies. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.

xi.

(a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year, under its vigilance department while determining its nature, timing and extent of audit procedures.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion and based on our examination, the Company has an internal audit system as required under Section 138 of the Companies Act, 2013. However, the same is not commensurate with the size of the Company and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi.

(a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)© of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 57 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

(a) The company does not have any amount unspent other than amount remaining unspent on ongoing projects. Hence the provisions stated under clause xx(a) are not applicable to the company.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special bank account within a period of thirty days from the end of the financial year in compliance with sub-section (6) of Section 135 of the Companies Act, 2013. Refer Note 49 to the standalone financial statements.

Financial year	Amount unspent on Corporate Social Responsibility activities "Ongoing Projects" (Rs. In Lakhs)	Amount transferred to special Account within 30 days from the end of the financial year (Rs. In Lakhs)	Amount transferred after the due date (specify the date of transfer) (Rs. In Lakhs)	
(a)	(b)	(c)	(d)	
FY 2023-24	2,812.42	2,812.42 Transfer date : 30-Apr-24	N.A.	

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 24101739BKEZUQ7356

Place : Mumbai
Date: September 27, 2024

ANNEXURE D TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

[Referred to in paragraph 14(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Maharashtra State Electricity Transmission Company Limited on the Financial Statements for the year ended March 31, 2024]

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

We have audited the internal financial controls with reference to standalone financial statements of Maharashtra State Electricity Transmission Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Qualified Opinion

In our opinion, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion Section below on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements as of March 31, 2024 and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of the Company and these material weaknesses does not affect our opinion on the standalone financial statements of the Company.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2024:

a) The Company did not have an appropriate formal documentation and risk control matrix with respect to Revenue to Receivable, Other Expense, Other Income, Financial Reporting Closure Process.

b) The Company does not have laid down policy and procedures pertaining to materials/equipment's given to vendors/third parties on loan basis.

c) The Company does not have laid down policies and procedures pertaining to write back of old balances and write off of old outstanding.

d) The company does not have laid down policies and procedures pertaining to the tendering process.

e) The company does not have laid down policies and procedures with respect to documentation of deviation for tendering process pertaining to repairs and maintenance.

f) The Company should have appropriate controls to track and capitalize PPE on timely basis.

In addition to above, we also refer to 'Basis for Qualified Opinion' section of our audit report dated September 27, 2024 and the consequential impact it may have on Company's processes and internal controls, and to that extent, we are unable to comment on whether there is any material weakness in the Company's internal controls as at March 31, 2024.

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

Management and Board of Director's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 24101739BKEZUQ7356

Place : Mumbai
Date: September 27, 2024

Standalone Financial Statements

Maharashtra State Electricity Transmission Company Limited
CIN : U40109MH2005SGC153646
Standalone Balance Sheet as at 31st March 2024

(Rs. in lakhs)

	Particulars	Note No	As at 31st March 2024	As at 31st March 2023
I	**ASSETS**			
(1)	**Non-Current Assets**			
	Property, Plant and Equipment	4.1	15,52,340.99	15,70,322.95
	Capital Work-in-Progress	4.2	3,84,913.54	3,78,377.14
	Right of Use Assets	4.3	15,294.43	8,932.59
	Other Intangible Assets	4.4	5.14	61.98
	Investments accounted for using the equity method	5	5,335.92	5,335.92
	Financial Assets			
	(i) Investment	6	1,44,547.66	1,26,680.86
	(ii) Loans	7	136.93	137.35
	Non Current Tax Assets (Net)	8	78,229.08	77,856.55
	Other Non-Current Assets	9	9,186.47	9,119.07
	Total Non-Current Assets		**21,89,990.16**	**21,76,824.39**
(2)	**Current Assets**			
	Inventories	10	46,381.87	37,396.62
	Financial Assets			
	(i) Investments	11.1	12,219.10	2,739.24
	(ii) Trade Receivables	11.2	2,86,730.70	3,76,763.54
	(iii) Cash and Cash Equivalents	11.3	20,856.32	62,973.30
	(iv) Bank balances other than cash and cash equivalents	11.4	2,89,031.09	23,861.78
	(v) Loans	11.5	313.05	265.35
	(vi) Other Current Financial Assets	11.6	22,178.36	12,741.43
	Other Current Assets	12	754.80	649.39
	Total Current Assets		**6,78,465.29**	**5,17,390.65**
	Assets Classified as Held for Sale	13	5,009.92	5,119.09
	TOTAL ASSETS		**28,73,465.37**	**26,99,334.14**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity Share capital	14	8,98,497.47	8,98,497.47
	Other Equity	15	6,94,146.84	5,27,540.38
	Total Equity		**15,92,644.31**	**14,26,037.85**
(2)	**Liabilities**			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	16.1	3,17,978.72	3,96,297.24
	(ii) Lease Liabilities	31	5,689.18	41.24
	(iii) Other Non-Current Financial Liabilities	16.2	1,33,821.61	1,40,118.70
	Provisions	17	1,53,945.32	1,14,377.57
	Deferred Tax Liabilities (Net)	18	2,36,657.74	2,45,110.12
	Non Current Tax Liabilities (Net)	19	42,408.02	42,408.02
	Other Non-Current Liabilities	20	1,87,714.65	1,54,516.50
	Total Non-Current Liabilities		**10,78,215.24**	**10,92,869.39**
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	21.1	85,557.68	87,354.53
	(ii) Lease Liabilities	31	1,438.36	35.90
	(iii) Trade Payables	21.2		
	total outstanding dues of micro enterprises and small enterprises		2,559.35	430.13
	total outstanding dues of creditors other than micro enterprises and small enterprises		29,815.65	24,103.03
	(iv) Other Current Financial Liabilities	21.3	11,926.25	12,662.59
	Provisions	22	53,122.18	29912.98
	Other Current Liabilities	23	18,186.35	25,927.74
	Total Current Liabilities		**2,02,605.82**	**1,80,426.90**
	Total Liabilities		**12,80,821.06**	**12,73,296.29**
	TOTAL EQUITY AND LIABILITIES		**28,73,465.37**	**26,99,334.14**
	Significant Accounting Policies	1 to 3		

The accompanying notes from 1 to 57 are an integral part of these Standalone Financial Statements
As per our attached report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number - 105047W

Sd/-
Amrish Vaidya
Partner
ICAI Membership No. 101739
Place : Mumbai
Date: September 27, 2024

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anju Gupta
Chief General Manager (F&A)

Sd/-
Trupti Mudholkar
Director (Finance)
(DIN. 09033240)

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director
(DIN. 08352295)

Sd/-
Vineeta Shriwani
Company Secretary
(Membership No. A21814)

Maharashtra State Electricity Transmission Company Limited
CIN : U40109MH2005SGC153646
Standalone Statement of Profit and Loss for the year ended 31st March, 2024

(Rs. in lakhs)

	Particulars	Note No	Year ended 31 March 2024	Year ended 31 March 2023
	Revenue			
I	Revenue from Operations	24	6,55,542.37	4,89,563.46
II	Other Income	25	65,463.53	78,622.20
III	**Total Income (I + II)**		**7,21,005.90**	**5,68,185.66**
IV	**Expenses**			
	Repairs & Maintenance Expenses	26	55,582.80	55,075.35
	Employee Benefits Expense	27	1,77,130.53	1,35,092.79
	Finance Costs	28	35,034.57	38,695.62
	Depreciation and Amortization Expense	29	1,28,986.73	1,34,190.30
	Other Expenses	30	50,400.00	48,735.36
	Total Expenses (IV)		**4,47,134.63**	**4,11,789.42**
V	**Profit before tax (III - IV)**		**2,73,871.27**	**1,56,396.24**
VI	**Tax Expense:**			
	(1) Current tax		(98,872.97)	(53,834.73)
	(2) Deferred tax		2,647.72	1,106.66
	Total income tax expense (VI)		**(96,225.25)**	**(52,728.07)**
VII	**Profit for the Year (V - VI)**		**1,77,646.02**	**1,03,668.17**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(16,611.35)	(1,308.90)
	Income tax relating to items that will not be reclassified to profit or loss		5,804.67	457.38
	Total Other Comprehensive Income for the year , net of income tax (VIII)		**(10,806.68)**	**(851.52)**
IX	**Total Comprehensive Income for the Year (VII + VIII)**		**1,66,839.34**	**1,02,816.65**
X	Basic and Diluted Earnings per Share (in Rs.) (Face Value Rs 10/-)	35	1.86	1.15
	Significant Accounting Policies	1 to 3		

The accompanying notes from 1 to 57 are an integral part of these Standalone Financial Statements
As per our attached report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number - 105047W

Sd/-
Amrish Vaidya
Partner
ICAI Membership No. 101739

Place : Mumbai
Date: September 27, 2024

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anju Gupta
Chief General Manager (F&A)

Sd/-
Trupti Mudholkar
Director (Finance)
(DIN. 09033240)

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director
(DIN. 08352295)

Sd/-
Vineeta Shriwani
Company Secretary
(Membership No. A21814)

Maharashtra State Electricity Transmission Company Limited
CIN : U40109MH2005SGC153646
Standalone Statement of Cash Flows for the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	For Year Ended 31st March 2024	For Year Ended 31st March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	**2,73,871.27**	**1,56,396.24**
Adjustment for :		
Depreciation and Amortisation	1,28,986.73	1,34,190.30
Amortisation of government grants	(2,007.80)	
Gain on disposal of property, plant and equipments	(1,058.23)	(1,603.75)
Gain on sale of investments	-	-
Proceeds from sale of scrap Assets	49.59	(2.66)
Dividends received	(1,831.56)	(132.07)
Interest received	(22,912.90)	(10,692.88)
Finance costs	41,793.17	45,135.85
Loss due to Foreign Exchange Rate Variation	(68.02)	547.20
Sundry Balances W/Off	-	379.97
Operating Profit Before Working Capital Changes	**4,16,822.25**	**3,24,218.20**
Movements in Working Capital		
(Increase) in Inventory	(8,985.25)	(9,279.83)
(Increase) / Decrease in Investments		
(Increase) in Trade Receivable	90,032.84	(57,945.71)
(Increase)/Decrease in Short Term Loan and Advance	(47.70)	(14.46)
(Increase) in Other Current Assets	(2,74,711.65)	(4,445.95)
(Increase)/Decrease in Long Term Loans & Advances		
Increase in Long Term Provisions	39,567.75	11,000.45
Increase/(Decrease) in Provisions	23,209.20	2,514.73
(Increase)/Decrease in Other Non-Current Assets	(67.40)	(153.22)
Increase/(Decrease) in Other non current financial liabilities	(6,297.09)	16,844.73
(Decrease) in Trade Payables	7,841.84	(511.95)
(Decrease) in Other Current Liabilities	67,744.36	(15,876.03)
Increase/(Decrease) in Other Long Term Liabilities		
Cash generated from operations	**3,55,109.15**	**2,66,350.96**
Taxes Paid	(85,047.00)	(47,576.61)
NET CASH FROM OPERATING ACTIVITIES	**2,70,062.15**	**2,18,774.35**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property,Plant and Equipments including Capital Work in Progress and Capital Advance (Net of Sale Proceeds)	(1,22,728.37)	(1,49,515.43)
Depreciation	-	-
Amortisation of government grants	2,007.80	-
Gain on sale of investments	-	-
Receipts of government grants	33,198.15	(1,772.28)
Long term loans and advances	0.42	(12.86)
Other non-current assets		
Receipts of ORC Deposits		1,843.00
Investment in Associates/Joint Ventures	-	-
(Purchase)/Sale in Investment	(27,346.66)	(18,160.55)
Interest Received	-	-
Dividends received	1,831.56	132.07
Interest received	22,912.90	10,692.88
NET CASH USED IN INVESTING ACTIVITIES	**(90,124.20)**	**(1,56,793.17)**

(Rs. in lakhs)

Particulars	For Year Ended 31st March 2024	For Year Ended 31st March 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	-	-
Other Equity	(1,07,264.81)	
Share application money received		
Proceeds/(Repayment) from Borrowings	(80,047.35)	(18,607.00)
Repayment of Short Term Borrowings		
Proceeds/(Repayment) from Long Term Borrowings		
Payment of Lease Liabilities	7,050.40	(1,901.41)
Repayment of Long Term Borrowings		
Interest paid / Finance costs	(41,793.17)	(45,135.85)
Loan Processing Charges Paid	-	-
NET CASH USED IN FINANCING ACTIVITIES	(2,22,054.93)	(65,644.26)
Net (Decrease) in Cash & Cash Equivalents (A+B+C)	**(42,116.98)**	**(3,663.08)**
Opening Balance of Cash & Cash Equivalents	62,973.30	66,636.38
Closing Balance of Cash & Cash Equivalents	**20,856.32**	**62,973.30**

Components of Cash & Cash Equivalents at	For Year Ended 31st March 2024	For Year Ended 31st March 2023
Balances with Banks		
In Current Accounts	3,850.74	7,706.93
In Fixed Deposit Accounts (with original maturity of less than 3 months)	8,441.12	33,987.70
Cash and Stamps on Hand	11.63	12.57
In Designated Current Account operated and maintained in terms of MERC Regulation	8,552.83	21,266.10
Cash & Cash Equivalents at the end of the year	**20,856.32**	**62,973.30**

The Statement of Cash Flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Statement of Cash Flows.

As per our attached report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number - 105047W

Sd/-
Amrish Vaidya
Partner
ICAI Membership No. 101739

Place : Mumbai
Date: September 27, 2024

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anju Gupta
Chief General Manager (F&A)

Sd/-
Trupti Mudholkar
Director (Finance)
(DIN. 09033240)

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director
(DIN. 08352295)

Sd/-
Vineeta Shriwani
Company Secretary
(Membership No. A21814)

Maharashtra State Electricity Transmission Company Limited
CIN : U40109MH2005SGC153646
Standalone Statement of Changes in Equity for the year ended 31st March, 2024

A. Equity Share Capital

For the year ended 31st March, 2024 **(Rs. in lakhs)**

Balance as at 1st April, 2023	Changes during the Year	Balance as at 31st March, 2024
8,98,497.47	-	8,98,497.47

For the year ended 31st March, 2023 **(Rs. in lakhs)**

Balance as at 1st April, 2022	Changes during the Year	Balance as at 31st March, 2023
8,98,497.47	-	8,98,497.47

B. Other Equity

For the year ended 31st March, 2024 **(Rs. in lakhs)**

Particulars	Reserves & Surplus				Total Equity
	Contingency Reserve Fund	Special Reserve Fund	Load Despatch Center Empowerment Reserve (LDCD) Fund	Retained Earnings	
Balance as at 1st April, 2023	**85,301.00**	**13,939.00**	**3,754.08**	**4,24,546.30**	**5,27,540.38**
Profit for the year				1,77,646.02	1,77,646.02
Other comprehensive income				(10,806.68)	(10,806.68)
Total Comprehensive Income	-	-	-	**1,66,839.34**	**1,66,839.34**
Transfer to Retained Earnings	-	-	2,467.00	(2,467.00)	-
Transfer from Retained Earnings	7,707.00	-	-	(7,707.00)	-
Utilisation for Capex (allowed by MERC)	-	-	(232.88)	-	(232.88)
Balance as at 31st March, 2024	**93,008.00**	**13,939.00**	**5,988.20**	**5,81,211.64**	**6,94,146.84**

For the year ended 31st March, 2023 **(Rs. in lakhs)**

Particulars	Reserves & Surplus				Total Equity
	Contingency Reserve Fund	Special Reserve Fund	Load Despatch Center Empowerment Reserve (LDCD) Fund	Retained Earnings	
Balance as at 1st April, 2022	**77,978.00**	**13,939.00**	**4,283.76**	**3,29,051.76**	**4,25,252.52**
Profit for the year				1,03,668.17	1,03,668.17
Other comprehensive income				(851.52)	(851.52)
Total Comprehensive Income	-	-	-	**1,02,816.65**	**1,02,816.65**
Transfer from Retained Earnings	7,323.00	-	-	(7,322.11)	0.89
Utilisation for Capex (allowed by MERC)	-	-	(529.68)	-	(529.68)
Balance as at 31st March, 2023	**85,301.00**	**13,939.00**	**3,754.08**	**4,24,546.30**	**5,27,540.38**

The accompanying notes from 1 to 57 are an integral part of these Standalone Financial Statements
As per our attached report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number - 105047W

Sd/-
Amrish Vaidya
Partner
ICAI Membership No. 101739
Place : Mumbai
Date: September 27, 2024

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anju Gupta
Chief General Manager (F&A)

Sd/-
Trupti Mudholkar
Director (Finance)
(DIN. 09033240)

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director
(DIN. 08352295)

Sd/-
Vineeta Shriwani
Company Secretary
(Membership No. A21814)

Notes to Standalone Financial Statements for the year ended 31st March, 2024

1 Corporate and General Information

Maharashtra State Electricity Transmission Company Limited (MSETCL) was incorporated under the Companies Act, 1956 on 31st May, 2005. The Certificate of Commencement of Business was received on 15th September, 2005 from the Registrar of Companies. The Company was incorporated as per provisions of the notification of Maharashtra State Electricity Reforms Transfer Scheme, 2005 (hereinafter referred to as the Transfer Scheme) which was issued on 4th June, 2005. As per the aforesaid notification, assets and liabilities forming part of the Transmission Undertaking of erstwhile Maharashtra State Electricity Board as set out in `Schedule A' of the said Notification were transferred and vested to the company with effect from 6th June, 2005. The Transfer Scheme was approved by Government of Maharashtra (GoM) on 31.03.2016. The transfer of Assets and Liabilities under the above Transfer Scheme was made by the GoM. As decided the consideration for the transfer of undertaking being excess of assets over liabilities is discharged by issue of Equity Shares of Rs. 898,497.47 lakh to MSEB Holding Company Limited (the Holding Company).

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

The Company is notified as the State Transmission Utility (STU) under The Electricity Act, 2003. Its registered office of business is located at Prakashganga, C-19, 'E' Block, Bandra Kurla Complex, Mumbai and is principally engaged in planning, implementation, operation and maintenance of Intra-State Transmission System (ISTS),

2 Statement of significant Accounting Policies

2.1 Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013, and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereafter. Accounting policies have been consistently applied to all the years presented unless otherwise stated.

2.2 Basis of preparation and presentation

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

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - plan assets measured at fair value;

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.3 Current and Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

2.4 Rounding of amounts

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

2.5 Use of estimates and judgments

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

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

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

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

2.6 Property, Plant and Equipment (Ind AS 16)

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

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

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

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

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

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

Spare parts, standby equipment and servicing equipment whose cost is Rs.10,00,000/- and above, which meets the recognition criteria of Property, Plant and Equipment were capitalized by the Company. However due to the introduction of MERC Capex Regulation 2022, wherein any replacement scheme and procurement of Standby spares would not be allowed as Capex Scheme and needs to be carried out under R&M Scheme. Hence, from FY 2021-22, the Company follows the MERC Regulation as, being an Regulatory Business, the ARR is approved by MERC

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

Cost of ORC Assets constructed are knocked off against the respective ORC Deposits received from the Customers and such assets are recognised at nominal value of Rupee 1 for identification and not at its cost of construction.

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

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

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

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

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

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

2.8 Intangible Assets (Ind AS 38)

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

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

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

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

2.9 Depreciation/Amortization (Ind AS 16)

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

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

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

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

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

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

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

Leasehold land (Except Considered as ROU under Ind AS-116 as referred in para 2.12) is fully amortized over lease period in accordance with the rates and methodology specified in MERC Tariff Regulation.

Depreciation rates used for various classes of assets are as under:

Particulars	Rate
Tangible Assets	
Hydraulic Works	5.28%
Buildings & Other Civil Works	3.34%
Plant & Machinery	5.28%
Transmission lines, Cable Network etc.	5.28%
Furniture, Fixtures and Office Equipments	5.28 % to 15%
Vehicles	6.33%

2.10 Borrowing costs (Ind AS 23)

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

Interest during construction (IDC) and expenditure (net) allocated to construction as per policy referred at 2.7 above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP. Actual IDC is calculated for schemes where it is possible. In case of remaining scheme, debt equity ratio of 75:25 is considered for calculating of IDC for opening capex as well as capex incurred during the year. FIFO method is followed while considering the capitalization i e first capitalization of asset will be taken place from opening balance of capex. The weighted average rate of interest of each financial institution and banks is applied for calculating IDC.

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

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

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

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

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

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

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

2.12 Leases (Ind AS 116)

A contract is, or contain, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone of the non-lease components.

The Company recognises right of use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-0f-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any measurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of –use asset. The estimated useful life if right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-Use Asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable, impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses borrowing rate of 10.04% as considered by MERC during the approval of Interest Expenses on Normative Loans in its ARR Orders. For leases with reasonably similar characteristic's , the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised in-substance fixed lease payments. The Company recognises the amount of re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirement of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payment associated with these leases are recognised as an expense on a straight line basis over the lease term.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessees' incremental borrowing rate as at April 1, 2019. The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The company recognises lease payments received under operating leases as income on straight line basis over the lease term. In case of finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease.

If an arrangement contains lease and non lease components, the Company applies Ind AS 115 Revenue from Contracts with Customers to allocate the consideration in the contract.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, modified retrospective approach. Accordingly, the Company has not restated comparative information. The lease contracts entered by the Company majorly pertains for Land and buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lesser. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

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

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

2.14 Inventories (Ind AS 2)

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

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

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

2.15 Revenue Recognition (Ind AS 115)

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

Transmission Income

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

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

Dividend Income

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

Interest Income

Interest income is accounted on accrual basis.

Sale of Scrap

Income from sale of scrap is accounted for on realization basis.

Supervision charges

The supervision charges received from Outright Consumers Contribution is recognised in the year of the collection.

Other Income

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

2.16 Employee Benefits (Ind AS 19)

Short Term Employee Benefits:

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

Other long-term employee benefit obligations

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

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

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

Post- employment benefits:

The Company operates the following post-employment schemes:

(i) Defined Benefit Plans such as gratuity; and

(ii) Defined contribution plans such as provident fund.

Defined Benefit Plan

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

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

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

Defined Contribution Plan

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

2.17 Foreign Currency Transactions (Ind AS 21)

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

2.18 Investment in Associates and Joint Ventures (Ind AS 27)

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

2.19 A) Government Grants (Ind AS 20)

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

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

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

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

As per the Government of Maharashtra's policy for promotion of generation of energy from non conventional sources, 50% of cost of such power evacuation project developed by Private Developers shall be borne by the Company and remaining 50% will be reimbursed by MEDA to the developers.

C) Accounting of Contributions received from Consumers against Outright Right Works (ORC Schemes)

Outright Consumer Contributions received is being treated as follows

1) If advance is received for expenditures still to be incurred on creation of Fixed Assets , same is treated as Non Current Liabilities till the completion of that Fixed Assets.

2) If contribution is received on account of Supervision Charges only, the same is recognised as Other Income in the year of receipt.

3) If contribution is received on account of already created assets, the same is reduced against that asset in the year of receipt.

2.20 Provisions and Contingent Liabilities (Ind AS 37)

a) Provisions

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

b) Contingencies

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

2.21 Fair Value Measurement (Ind AS 113)

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

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

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

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

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

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

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

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

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

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

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

2.22 Financial Assets (Ind AS 32)

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments at amortized cost

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

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

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Equity investments

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

De-recognition

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

2.23 Financial Liabilities (Ind AS 32)

Initial recognition and measurement

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Borrowing Cost: Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

Financial Liabilities at amortized cost

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

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

De-recognition

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

Offsetting of financial instruments

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

2.24 Taxes on Income (Ind AS 12)

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

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

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

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

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

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

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

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

2.25 Prior Period Items (Ind AS 8)

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

2.26 Earnings per Share (Ind AS 33)

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

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

2.27 Cash and Cash Equivalents (Ind AS 7)

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

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

2.28 Statement of Cash Flows (Ind AS 7)

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

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

3 Changes in Accounting Policies and Disclosures

3.1 New and Amended Standards

Standards (including amendments) issued but not yet effective

"Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company."

Notes to Standalone Financial Statements for the year ended 31st March, 2024
Note 4.1: Property, Plant & Equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Equipments	Line & Cable Networks	Hydraulic Works	Other Civil Works	Furniture & Fixtures	Vehicles	Office Equipment (Including computer)	Solar Power Generation Equipments	Total
Gross carrying amount											
Balance as at 1st April, 2022	**26,054.38**	**31,346.74**	**12,13,376.32**	**9,47,329.47**	**2,813.06**	**1,27,576.63**	**2,390.52**	**1,035.86**	**5,680.46**	**49.66**	**23,57,653.10**
Additions	164.69	477.92	62,694.88	47,156.89	7.21	4,493.01	131.16	923.26	1,160.11	-	1,17,209.13
Disposals	-	(23.33)	42,059.93	(491.45)	-	(315.09)	(13.02)	(3.75)	(268.61)	-	40,944.68
Adjustments	107.48	(109.55)	(49,269.11)	3,476.73	-	(34.56)	-	(6.07)	-	-	(45,835.08)
Balance as at 31st March , 2023	**26,326.55**	**31,691.78**	**12,68,862.02**	**9,97,471.64**	**2,820.27**	**1,31,719.99**	**2,508.66**	**1,949.30**	**6,571.96**	**49.66**	**24,69,971.83**
Additions	24.34	508.90	60,413.43	42,753.92	4.40	4,434.15	130.46	66.11	3,245.84	-	1,11,581.55
Disposals	(0.00)	-	(1,106.15)	(1,211.94)	(0.75)	(25.45)	-	(13.34)	(85.74)	-	(2,443.37)
Adjustments	-	-	(2,377.54)	161.27	-	(47.90)	-	(20.65)	(0.21)	-	(2,285.03)
Balance as at 31st March , 2024	**26,350.89**	**32,200.68**	**13,25,791.76**	**10,39,174.89**	**2,823.92**	**1,36,080.79**	**2,639.12**	**1,981.42**	**9,731.85**	**49.66**	**25,76,824.98**
Accumulated Depreciation											
Balance as at 1st April, 2022		**10,979.55**	**4,13,314.73**	**3,17,147.52**	**939.35**	**30,024.61**	**889.84**	**320.41**	**2,832.44**	**3.88**	**7,76,452.33**
Additions		1,068.91	68,760.43	49,167.66	115.18	5,345.98	165.11	116.36	484.56	2.62	1,25,226.81
Disposals		(0.13)	5,761.62	(68.90)	-	(22.38)	(0.13)	(3.37)	(19.68)	-	5,647.03
Adjustments		(33.29)	(8,815.07)	1,177.35	-	(0.84)	-	(5.45)	0.01	-	(7,677.29)
Balance as at 31st March , 2023	-	**12,015.04**	**4,79,021.71**	**3,67,423.63**	**1,054.53**	**35,347.37**	**1,054.82**	**427.95**	**3,297.33**	**6.50**	**8,99,648.88**
Additions		1,057.91	69,838.37	49,992.16	105.96	4,866.58	170.30	133.53	930.28	2.62	1,27,097.71
Disposals		-	(403.90)	(285.60)	(0.27)	(10.76)	-	(11.67)	(8.67)	-	(720.87)
Adjustments		0.03	(1,496.80)	(9.72)	-	(16.63)	-	(18.43)	(0.18)	-	(1,541.73)
Balance as at 31st March , 2024	-	**13,072.98**	**5,46,959.38**	**4,17,120.47**	**1,160.22**	**40,186.56**	**1,225.12**	**531.38**	**4,218.76**	**9.12**	**10,24,483.99**
Net carrying amount											
Balance as at 31st March , 2024	**26,350.89**	**19,127.70**	**7,78,832.38**	**6,22,054.42**	**1,663.70**	**95,894.23**	**1,414.00**	**1,450.04**	**5,513.09**	**40.54**	**15,52,340.99**
Balance as at 31st March, 2023	**26,326.55**	**19,676.74**	**7,89,840.31**	**6,30,048.01**	**1,765.74**	**96,372.62**	**1,453.84**	**1,521.35**	**3,274.63**	**43.16**	**15,70,322.95**

Please refer Note 39: Assets hypothecated / pledged as security.

* includes assets at Rs 1 for which the cost is recovered from the dedicated consumer as ORC Deposit

* includes assets which are created at 50% of the value under the scheme for evacuation of power from Non-conventional sources (MEDA Schemes).

Title deeds of Immovable Property not held in the name of the Company

Details of all immovable property included in Property, Plant and Equipments are held in the name of the Company , except for as shown in table below:

Revelent Line Item in the Balance Sheet	Description of items of property	Gross carrying value (Rs in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relatove of promoter/director or employee of promoter/ director	Property held since which date	Reasons for not being held in the name of the Company	Dispute, if any
Property, Plant & Equipment	Land	Not Ascertainable	MSETCL-463 out of 725	N. A.	Not Ascertainable		N. A.
		Not Ascertainable	MSEB/MSEDCL/ MSPGCL (Sister Concern) - 262 out of 725	N. A.	Not Ascertainable	Lands pertaining to erstwhile MSEB were transferred to MSETCL after trifurcation in 2005. However, certain lands which are in the names of MSEDCL, MSPGCL, MSEB, Maharashtra Industrial Development Corporation (MIDC) and private parties are still to be transferred in the name of MSETCL.	
		Not Ascertainable	Lease Hold / MIDC / Private/ Other - 238 out of 725	N. A.	Not Ascertainable		
	Building	NIL					

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

(Rs in Lakhs)

	As at 31.03.2022	Capital Expenditure during the year	Capitalisation / Adjustment during the year	As at 31.03.2023	Capital Expenditure during the year	Capitalisation / Adjustment during the year	As at 31.03.2024
Capital work-in-progress	3,41,932.91	1,53,911.57	(1,17,467.34)	3,78,377.14	1,18,272.75	(1,11,736.35)	3,84,913.54

Capital work in progress as at 31 March 2024 comprises expenditure for the new substation and Lines unit under construction.
Total amount of CWIP is Rs. 3,84,913.54 lakhs (31 March 2023: Rs. 3,78,377.14 lakhs).
Borrowing costs capitalised during the year amounted to Rs 6758.60 lakhs (31 March 2023: Rs 6440.23 lakhs).

Ageing Schedule of Capital Work in Progress FY 2023-24*

(Rs in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress (incl ORC Schemes)	12,260.52	14,791.94	18,885.22	3,34,930.18	3,80,867.86
Projects temporarily suspended				4,045.68	4,045.68
Total	12,260.52	14,791.94	18,885.22	3,38,975.86	3,84,913.54

*Ageing Schedule of Capital Work in Progress is prepared based on the year of commencement of capex in respective Project .

Ageing Schedule of Capital Work in Progress FY 2022-23*

(Rs in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress (incl ORC Schemes)	19,342.23	21,514.36	32,458.54	2,95,945.41	3,69,260.54
Projects temporarily suspended				9,116.60	9,116.60
Total	19,342.23	21,514.36	32,458.54	3,05,062.01	3,78,377.14

*Ageing Schedule of Capital Work in Progress is prepared based on the year of commencement of capex in respective Project .

Ageing Schedule of Capital Work in Progress whose completion, if overdue or, has exceeded its cost compared to its original plan and Projects Suspended.

(Rs in Lakhs)

Capital Work In Progress	Amount of CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress / Time Overrun					
132 KV Nanduri	14.77	-			14.77
132KV Jat-Tarodi SS	30.63	-			30.63
132Kv Kankawali- Kudal Line	119.41	-			119.41
132kV level creation at SICOM,Chandrapur		4,394.40			4,394.40
132KV Vadjre SS	405.45	-			405.45
220 KV Krishnoor	1,820.07	-			1,820.07
220 KV Narsi		-	1,781.08		1,781.08
220 KV Partur SS (Revali.on 18.11.2021)	1,514.72	-			1,514.72
220/132 kV Kurunda s/s (GIS)	4,751.83	-			4,751.83
220KV Bhokar	20.98	-			20.98
220KV Karad-Koyna LL	154.49	-			154.49
220kV Lines of Nagpur RingMain BR 112/12		17,383.41			17,383.41
220kV link lines for 400kV Kudus SS-REV	29,178.41	-			29,178.41
220kV ln frm 400kV PGCIL (Kum'ri)ss-Bale	253.82	-			253.82
220KV Lonand MIDC SS	876.43	-			876.43
220kV Nagewadi-Bhokardhan DC LL	2,998.28	-			2,998.28
220KV Nagpur Ring Main SS	10,307.81	-			10,307.81
220KV Pimpalgaon (Ranwad) SS	1,009.10	-			1,009.10
220KV Walchandnagar SS	284.75	-			284.75
220KV Warud SS	13,113.19	-			13,113.19
2nd ckt strg of 132kV Wardha - Seloo line		237.28			237.28
2nd Ckt. stringing under Akola &Amravati	28.44	-			28.44
2nd Ckt.Stringing under Solapur Circle		11.36			11.36
2nd Ckt.Stringing underAurangabad Circle		138.37			138.37
400 KV Aurangabad- II (Tapti Tanda)		15,039.53			15,039.53
400KV Alkud SS	1,726.66	-			1,726.66
400KV Chandrapur-II SS	826.54	-			826.54
400KV Hinjewadi GIS SS		19,821.59			19,821.59
400KV Koradi-II SS	9,851.47	-			9,851.47
Add of T/F at 2 Nos. EHV S/s Karad zone	8.62	-			8.62
Add. of ICTs at 2Nos. of S/s, Pune Zone		534.92			534.92
Add.& Repl. of ICTs ,Karad Zone	14.98	-			14.98
Add/ Replace of T/Fs 4 EHV SS A'bad Zone	139.43	-			139.43
Addition. of ICTs under Amravati Zone	272.00	-			272.00
Administrative building at Kalwa Complex	664.56	-			664.56
Administrative building Nagpur	1,330.70	-			1,330.70
Administrative building Pune	141.77	-			141.77
Ambheri-Aundh 132kV SCDC Line	788.87	-			788.87
Amravati Administrative Bldg	24.49	-			24.49

Capital Work In Progress	Amount of CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Aug by add & replace. T/F Amravati Zone	7.89	-			7.89
Aug of 220kVMalegaon & 220kVAnjangaon	33.54	-			33.54
Const of132 kV A'nagar MIDC-Nimblak TSS	533.19	-			533.19
Const ofTL under GEC-Part I (Tranche II)	4,646.67	-			4,646.67
Const. of 68 nos. new 33kV bays,Abd zone	50.43	-			50.43
Conv Kolhapur II-Puikhadi SCSC to SCDC	148.48	-			148.48
Est 132/33kV hybrid GIS ss at Jat Tarodi	9,849.48	-			9,849.48
Est of 220/22 kV GIS s/s at Abitghar		6,701.19			6,701.19
Esta. of add. PT bays at vari.SS Ngp circle	169.35	-			169.35
Estb of 132/33 kV S/S at Sironcha		2,992.84			2,992.84
Estb of 220kV GIS Shendra MIDC	13,362.16	-			13,362.16
Estt of 220/132/33kV Nagbhid s/s	6,759.18	-			6,759.18
Estt. 132kV Jawhar ss-Rev	212.07	-			212.07
Estt. of 220KV Chakan-II s/s	2.60	-			2.60
Estt. of 400KV Kudus S/S	74,706.76	-			74,706.76
Implement SAS at 400kv Non SAS 400KVSSNZ	11.04	-			11.04
LL from 400kV PGCIL -220kV Hinjewadi-II		-	1,912.95		1,912.95
R&M of 220KV Chinchwad SS- was sanctioned	263.92	-			263.92
Relocation of Anjur Earth Electrode Stn	723.28	-			723.28
Repl. of Disc Insulators for 220kV Lines	0.13	-			0.13
Replac of 245kV & 145kV CT under Nashik	19.53	-			19.53
SITC of 3 DCs	30.98	-			30.98
Stren. of bays at various SS under Vashi	3.59	-			3.59
Strenthening of EHV Network	221.46	-			221.46
Supply ETC OF TPI Transducer	1.44	-			1.44
Upgradation of 132kV Palghar ss to 220kV		480.03			480.03
Project temporarily suspended					
Evctn of Tarapur Extn				2,476.97	2,476.97
220KV Khandalgaon-Dasturi Link Line			1,437.52		1,437.52
132KV Kalmeshwar-Hingna LL		120.05			120.05
LILO on both ckts 400kv Tarapur-Padghe line			11.05		11.05
Total	**1,94,429.84**	**67,854.97**	**5,142.60**	**2,476.97**	**2,69,904.38**

Note 4.3 Right of Use Assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	Addition during the year	Disposal during the year	As at 31.03.2023	Addition during the year	Disposal during the year	As at 31.03.2024
Leasehold Land							
Gross Block	16,726.91	29.27	(1.62)	16,754.56	-	-	16,754.56
Accumulated Amortisation	698.96	7,163.53	33.16	7,895.65	405.47		8,301.12
Total	16,027.95	-7,134.26	31.54	8,858.91	(405.47)	-	8,453.44
Leasehold Building							
Gross Block	6,791.66	61.97	-	6,853.63	8,503.21	-	15,356.84
Accumulated Amortisation	5,075.58	1,704.37	-	6,779.95	1,735.90	-	8,515.85
Total	1,716.08	(1,642.40)	-	73.68	6,767.31	-	6,840.99
Balance at the end of the year	**17,744.03**	**(8,776.66)**	**31.54**	**8,932.59**	**6,361.84**	**-**	**15,294.43**

Please refer Note 31

Note 4.4 : Other Intangible Assets (Computer Softwares and SAP/ERP System Licenses)

(Rs in Lakhs)

Particulars	As at 31.03.2022	Addition during the year	Disposal during the year	As at 31.03.2023	Addition during the year	Disposal during the year	As at 31.03.2024
Gross Block	781.42	233.52	(231.46)	783.48	154.80	(154.80)	783.48
Accumulated Amortisation	617.97	139.56	(36.03)	721.50	72.73	(15.89)	778.34
Total	**163.45**	**93.96**	**(195.43)**	**61.98**	**82.07**	**(138.91)**	**5.14**

Notes to Standalone Financial Statements for the year ended 31st March, 2024

5 Investments accounted for using the equity method

(Rs in Lakhs)

Particulars	Face Value (in Rs)	No. of Shares		Amount	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Unquoted - At Cost **A) Equity Instruments of Associates**					
Jaigad Power Transco Limited (JPTL)	10	3,57,50,000	3,57,50,000	3,575.00	3,575.00
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	10	88,04,579	88,04,579	1,760.92	880.46
Additional Investment made in equity during the year		88,04,578			
Bonus shares 32,94,691 Nos (21,72,242 (Nos) issued during the FY 2018-19 (11,22,449 (Nos) in 2020-21 and 6,67,349 (Nos) in 2023-24)		39,62,040	32,94,691	-	-
B) 15% Non Cumulative, Participating, Redeemable Preference Shares					
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	10	0.00	88,04,578	0.00	880.46
TOTAL		5,73,21,197	5,66,53,848	5,335.92	5,335.92
Aggregate amount of unquoted securities				5,335.92	5,335.92
Aggregate amount of quoted securities				-	-
Market value of quoted securities				-	-
Aggregate amount of impairment in the value of investments				-	-

Refer Note 38A

6 Non - current Investments

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Quoted		
At amortised Cost		
Investments in Government Securities*	1,44,547.66	1,26,680.86
Investments in Bonds*	-	-
Total	**1,44,547.66**	**1,26,680.86**

* Earmarked against Contingency/Special Reserve Fund, ORC Deposit .

Contingency Reserve Fund and Special Reserve Fund	85,760.66	87,313.05
ORC Deposit	58,787.00	39,367.81
Total	1,44,547.66	1,26,680.85
Aggregate Book value of unquoted securities	-	-
Aggregate Book Value of quoted securities	1,44,547.66	1,26,680.86
Market value of quoted securities	1,47,405.15	1,29,420.10
Aggregate amount of impairment in the value of investments	-	-

7 Non-Current Loans

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured , considered good unless stated		
Loans & Advances to Employees	136.93	137.35
Total	**136.93**	**137.35**

8 Non-Current Tax Assets (Net)

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Advance Income Tax (Net of Provision for Tax Rs. 98,872.97 Lakhs (Previous Year Rs. 53,834.73 Lakhs)	78,229.08	77,856.55
Total	**78,229,08**	**77,856.55**

9 Other Non-current Assets

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured , considered good unless stated otherwise		
Capital Advances	1,175.61	602.13
Unamortised transaction cost #	1,703.23	1,639.42
Balances with group companies *	2,211.05	2,077.97
Security Deposits	574.62	1,398.09
Advances to Suppliers	3,520.26	3,399.72
Advances and Recoverables	1.70	1.74
Total	**9,186.47**	**9,119.07**

consist of transaction cost (Premium) incurred for investment in Government Security
* Refer Note No 33 (3)

10 Inventories

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Stores & Spares (At cost)	47,471.65	38,486.40
- Provision for Material Losses Pending Investigation & Obsolete Materials*	(1,089.78)	(1,089.78)
Total	**46,381.87**	**37,396.62**

* Provision made for non booking of Loss due to Material pending investigation and Obsolete materials stock (including scrap) (awaiting approval of Competent Authrority) included in the Stores and Spares.

11.1 Current Investments

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Quoted		
At amortised Cost		
Investments in Government Securities*	11,226.90	1,737.40
Investments in Bonds*	992.20	1,001.84
Total	**12,219.10**	**2,739.24**

* Earmarked against Contingency Reserve, Special Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency as follows:

Continency Reserve	12,219.10	2,739.24
Foreign Exchange Fluctuation (JICA)	-	-
Total	**12,219.10**	**2,739.24**

Aggregate Book Value of unquoted securities	0.00	0.00
Aggregate Book Value of quoted securities	12,219.10	2,739.24
Market valuation of quoted securities	12,643.42	2,708.66
Aggregate amount of impairment in the value of investments		

11.2 Trade Receivables

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured unless stated otherwise *		
Considered Good	2,86,730.70	3,76,763.54
- Allowance as per Expected Credit Loss Model		
Considered Doubtful	11,613.59	11,613.59
- Allowance for Doubtful	(11,613.59)	(11,613.59)
Total	**2,86,730.70**	**3,76,763.54**

* Refer Note No 37

11.3 Cash and Cash Equivalents

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	3,850.74	7,706.93
Fixed Deposit Accounts (with original maturity of less than 3 months)	8,441.12	33,987.70
Cash and Stamps on Hand	11.63	12.57
In Designated Current Account operated and maintained in terms of MERC Regulation@	8,552.83	21,266.10
Total	**20,856.32**	**62,973.30**

@ Refer Note No 51

11.4 Bank balances other than cash and cash equivalents

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Fixed Deposit Accounts (with original maturity of more than 3 months but less than 12 months) #	2,89,031.09	23,861.78
Total	**2,89,031.09**	**23,861.78**

Under Pledge Refer Note no-39

11.5 Current Loans

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, considered good		
Loans & Advances to Employees	313.05	265.34
Total	**313.05**	**265.34**

The Group has not granted any loans or advances in the nature of loans to Promoters, Directors, KMPs either severaly or jointly with any other person.

11.6 Other Current Financial Assets

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, considered good unless stated otherwise		
Interest Receivable	6,459.47	3,196.50
Other Receivables	11,964.81	6,573.93
Fixed Deposits with Bank *	3,754.08	2,971.00
Total	**22,178.36**	**12,741.43**

* Earmarked against LDCD Fund .

12 Other Current Assets

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, Considered Good		
Prepaid Expenses	297.62	531.13
Other Receivables		
Considered good	457.18	118.26
Considered doubtful	149.11	149.11
Less - Provision for Doubtful Debts	(149.11)	(149.11)
Total	**754.80**	**649.39**

13 Assets Classified as Held for Sale

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Assets Not in Use	13667.75	14695.12
Accumulated Depreciation for Asset not in use	(9,406.14)	(9,953.99)
Asset Sale Clearing	(7.59)	38.83
Accumulated Depreciation on Asset held for reuse	(1,231.38)	(478.00)
Asset held for Reuse	1979.85	809.70
Loss to Fixed Assets pending Investigation	7.43	7.43
Total	**5,009.92**	**5,119.09**

14 Equity Share Capital

	Particulars	As at 31.03.2024		As at 31.03.2023	
a)	**Authorised**	Numbers	Rs. in Lakhs	Numbers	Rs. in Lakhs
	Equity Shares of Rs.10/- each	15,00,00,00,000	15,00,000.00	15,00,00,00,000	15,00,000.00
b)	**Issued, Subscribed and Paid up**				
	Equity Shares of Rs.10/- each	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47
	Total	**8,98,49,74,733.00**	**8,98,497.47**	**8,98,49,74,733.00**	**8,98,497.47**

c) **Terms & Rights attached to equity shares**

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

d) **Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	As at 31.03.2024		As at 31.03.2023	
	Numbers	Rs. in Lakhs	Numbers	Rs. in Lakhs
Shares outstanding at the beginning of the year	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47
Add: Shares Issue during the year				
Shares outstanding at the end of the year	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47

e) **Shares held by the Promoter at the end of the year**

Shares held by the Promoter at the end of the year				**% Change during the year**
Promoter Name	Designation	No of Shares	% of Total Shares	
MSEB Holding Company Limited	-	8,98,49,74,673	99.99%	NIL

f) **Shares held by holding/ ultimate holding company and by their subsidiaries / associates**

Particulars	As at 31.03.2024		As at 31.03.2023	
	Numbers	%	Numbers	%
Equity Shares				
MSEB Holding Company Limited	8,98,49,74,673	99.99%	8,98,49,74,673	99.99%

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	Numbers	%	Numbers	%
Equity Shares				
MSEB Holding Company Limited	8,98,49,74,673	99.99%	8,98,49,74,673	99.99%

As per the records of the Company, including its Register of Shareholders/Members and Other declarations received from Shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

	2023-24		2022-23	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Equity Shares of Rs.10 each issued in the financial year 2015-16 as fully paid up to the shareholders of MSEB Holding Company limited, pursuant to the Maharashtra State Electricity Reforms Transfer Scheme, 2005 approved by Governement of Maharashtra on 31.03.2016.	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47

i) No class of shares have been issued as fully paid up shares by way of Bonus shares and for consideration other than cash during the period of five years immediately preceding the reporting date

15 Other Equity

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
a) Contingency Reserve Fund (Refer note (a) below)	93,008.00	85,301.00
b) Special Reserve Fund (Refer note (b) below)	13,939.00	13,939.00
c) Load Despatch Center Empowerment Reserve (LDCD) Fund (Refer note (c) below)	5,988.20	3,754.08
d) Retained Earnings	5,81,211.64	4,24,546.30
TOTAL	**6,94,146.84**	**5,27,540.38**

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Reserves & Surplus		
a) Contingency Reserve Fund (Refer note (a) below)		
Opening Balance	85,301.00	77,978.00
Transferred from retained earnings	7,707.00	7,323.00
	93,008.00	**85,301.00**
b) Special Reserve Fund (Refer note (b) below)		
Opening Balance	13,939.00	13,939.00
Add : Addition During the Year	-	-
	13,939.00	**13,939.00**
c) Load Despatch Center Empowerment Reserve (LDCD) Fund (Refer note (c) below)		
Opening Balance	3,754.08	4,283.76
Add : Addition/(Reversal) During the Year	2,467.00	-
Less : Utilisation for capex (allowed by MERC)	(232.88)	(529.68)
	5,988.20	**3,754.08**
d) Retained Earnings		
Opening Balance	4,24,546.30	3,29,051.76
Appropriation of Load Despatch Center Empowerment Reserve (LDCD) Fund amount from Retained Earnings of MSLDC	(2,467.00)	-
Profit for the year	1,77,646.02	1,03,668.17
Other comprehensive income for the year	(10,806.68)	(851.52)
Total comprehensive income for the year	**1,66,839.34**	**1,02,816.65**
Transfered to Contingency Reserve	(7,707.00)	(7,322.11)
Transfered to Special Reserve Fund	-	-
	5,81,211.64	**4,24,546.30**
TOTAL	**6,94,146.84**	**5,27,540.38**

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

a) Contingency Reserve Fund-

A contribution towards Contingency Reserves has to be made in accordance with Regulation 36 of MERC(MYT) Regulations, 2015 and which is within the prescribed limits of Regulation(not less than 0.25% and not more than 0.5% of the original cost of fixed assets annually) and is to be invested in the approved class of securities authorised under the Indian Trust Act, 1882.

b) Special Reserve Fund-

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

c) Load Despatch Center Empowerment Reserve (LDCD)-

A contribution towards Load Despatch Center Development Fund has been made in accordance with Regulation 12 of the CERC (Fees and Charges of RLDC and Other related matters) 2015. The said fund is to be utilised for administrating capital expenditure.The charges on account of return on equity, interest on loan, depreciation of the Regional Load Despatch Centres and National Load Despatch Centre including the registration fee, shall be deposited into the LDCD Fund after meeting the statutory tax requirements.

16.1 Non-Current Borrowings

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Secured		
Term Loans from Banks (Note 16.1.a)	76,642.51	1,18,017.35
Term Loans from Other Parties (Note 16.1.b)	2,41,336.21	2,78,279.89
TOTAL	**3,17,978.72**	**3,96,297.24**

(Refer Note 39 & 41.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

16.1. a. Term Loans from Banks

(Rs in Lakhs)

Name of the Bank	As at 31st March 2024	As at 31st March 2023
Canara Bank	5,191.48	14,080.74
Bank of Maharashtra	34,774.79	50,014.53
Bank of India	0.00	1,958.83
ICICI Bank	5,339.14	10,862.57
Bank of India - 2	16,862.56	22,875.58
Bank of India - 3	14,474.54	18,225.10
TOTAL	**76,642.51**	**1,18,017.35**

16.1. b. Term Loans from Other Parties

(Rs in Lakhs)

Name of the Financial Institutes	As at 31st March 2024	As at 31st March 2023
Rural Electrification Corporation Limited	1,95,691.42	2,23,252.95
Power Finance Corporation Limited	28,747.63	40,715.72
LT Special Assistance Scheme from GoM	12,000.00	8,446.20
Kreditanstalt für Wiederaufbau (KfW) Bank #	4,897.16	5,865.02
TOTAL	**2,41,336.21**	**2,78,279.89**

Refer Note 50

16.2 Other Non-Current Financial Liabilities

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Retention Money	1,05,236.88	1,13,006.05
Security Deposits *	28,344.51	23,357.81
Other deposits	240.22	3,754.84
TOTAL	**1,33,821.61**	**1,40,118.70**

* Security / Other Deposits from Vendors/Contractors/Customer, considered as Financial Liability on the basis of guidance in Ind AS 113 issued by Institute of Chartered Accountants of India (ICAI), is not fair valued.

17 Non - Current Provisions

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Employment Benefits		
Provision for Gratuity (unfunded)*	65,126.28	46,729.52
Provision for Leave Encashment (unfunded)*	76,245.47	54,967.44
Provision for Capital Expenditures	12,573.57	12,680.61
TOTAL	**1,53,945.32**	**1,14,377.57**

* Refer Note 32

18 Deferred tax liabilities (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Deferred tax liabilities		
Property, plant and equipment (includes intangible assets and revaluation impact)	2,90,146.33	2,90,051.04
Intangible Assets	348.94	289.01
DTL	**2,90,495.27**	**2,90,340.05**
Deferred tax assets		
Right of Use Assets and its Lease Liabilities	(5,772.48)	(2,918.64)
Unamortised Transaction Cost	820.34	820.34
Employee Benefits	42,401.63	31,641.79
Impairment on trade receivables	963.09	963.09
Government grant	2,530.19	1,828.59
Amortisation of investment in govt securities	1,616.43	1,616.43
Others	7,778.41	7,778.41
DTA	**50,337.61**	**41,730.01**
Reversal of opening DTL	3,499.92	3,499.92
Net (DTA)/DTL	**2,36,657.74**	**2,45,110.12**

* Refer Note 36

19 Non Current Tax Liabilities (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Income Tax Liabilities (Net of Provision for Tax Rs. 98,872.97 Lakhs (Previous Year Rs. 53,834.73 Lakhs)	42,408.02	42,408.02
TOTAL	**42,408.02**	**42,408.02**

20 Other Non-Current Liabilities *

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Grant : Power System Development Fund	5,539.73	6,062.56
Grant: Towards cost of capital assets	13,142.07	13,907.00
Grant : Green Energy Corridor for Projects	7,065.19	7,405.12
Grant: Tribal Sub Plan Area (TSP)	1,790.40	1,832.30
Grant: In Aid from PGCIL for REMC Assets	189.55	320.67
Deposit received from Consumers under ORC Schemes	1,59,987.71	1,24,988.85
TOTAL	**1,87,714.65**	**1,54,516.50**

* Refer Note No 34

21.1 Current Borrowings

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Loan Repayable on Demand		
Secured		
Current Maturities of Term Loans from Banks	42,280.86	43,798.12
Current Maturities of Term Loans from Other Parties	43,276.82	43,556.41
TOTAL	**85,557.68**	**87,354.53**

(Refer Note 39 & 41.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

21.2 Trade payables

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	2,559.35	430.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	29,815.65	24,103.03
TOTAL	**32,375.00**	**24,533.16**

Refer Note no 37

21.3 Other current financial liabilities

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Other current financial liabilities - At Amortised Cost		
Interest accrued but not due on borrowings	2,137.39	2,323.27
Employee related payables	4,768.79	4,848.39
Payable to group companies *	2,600.08	3,498.64
Other payables	2,419.99	1,992.29
TOTAL	**11,926.25**	**12,662.59**

* Refer Note No 33 (3)

22 Short term provisions

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for gratuity(unfunded) *	6,204.93	5,784.91
Provision for leave encashment (unfunded)*	5,032.78	9,608.23
Provision for CSR Expenditure @	8,780.00	8,312.19
Provision for late interest payment on Service Tax	264.43	264.43
Provision for Tree/Land Compensation	1,721.80	1,606.34
Provision for Pay Revision	23,285.99	0.00
Provision for Shortfall on CPF Liability	4,255.00	544.73
Other Provisions #	3577.25	3792.17
TOTAL	**53,122.18**	**29,913.00**

* Refer Note No 32
@ Refer Note No 49
# Other Provisions include provisions for R&M and Other Expenses.

23 Other current liabilities

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Duties & taxes payable	6,702.32	1,531.42
Payable to MSEB CPF Trust	2,268.96	2,094.09
Advances from customers	125.59	176.87
Other Liability - Third Party (Net) (Liability in respect of Designated Accounts operated and maintained in terms of MERC Regulations) @	8,552.83	21,266.10
Other payables	536.65	859.26
TOTAL	**18,186.35**	**25,927.74**

@ Refer Note No 51

24 Revenue from operations

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Transmission charges (STU)	6,47,435.90	4,69,277.81
Transmission charges (Others)	2,198.39	2,346.83
Open Access Charges	581.98	1,262.36
SLDC Charges	3,109.84	3,500.49
Additional Transmission and Regulatory Charges	1,061.33	10,896.74
Rescheduling Charges	1,154.93	2,279.23
Total	**6,55,542.37**	**4,89,563.46**

25 Other Income

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest income	22,912.90	10,692.88
Rent	533.01	413.24
Profit on sale of Property , Plant and Equipment	1,166.63	1,639.47
Sale of tender forms	148.03	143.28
Income from sale of scrap	1,352.66	2,163.48
Government Grant	2,007.80	1,706.67
Amortisation of investments	-	-
Remittance of amounts collected by Distribution Licensees from Partial Open Access Consumers	3,685.53	45,423.90
Other Miscellaneous Income	33,656.97	16,439.28
Gain on foreign currency transactions and translations (Net)	-	0.00
Total	**65,463.53**	**78,622.20**

26 Repairs & Maintenance Expenses

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Property, Plant and Equipment *	55,644.97	55,127.71
Repairs and maintenance expenses capitalised #	(62.17)	(52.36)
Total	**55,582.80**	**55,075.35**

Refer Note No 4.2

27 Employee Benefits Expense

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Salaries, allowances, Bonus etc.	1,11,891.31	1,07,430.71
Staff welfare expenses	4,798.06	4,859.24
Other staff costs*	7,891.13	1,610.60
Leave encashment	22,817.24	15,221.47
Gratuity	7,041.31	6,520.76
Contribution to Provident & Other Funds	9,905.57	9,364.91
Provision for Wage Revision Impact of FY 2023-24	23,285.99	0.00
Employee costs capitalised #	(10,500.08)	(9,914.90)
Total	**1,77,130.53**	**1,35,092.79**

* Includes excess provision for CPF Plan Assets by Rs. 7,124.53 lakhs (PY Rs NIL).
# Refer Note No 4.2

28 Finance Costs

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest Expense		
(i) Banks	11,620.14	14,005.39
(ii) Others	28,968.98	30,467.35
Transaction Costs	340.58	315.81
Miscellaneous Costs @	55.82	67.47
Amortisation of borrowings	4.41	37.10
Foreign Exchange Loss	68.02	130.08
Interest on Lease Liabilities	735.22	112.65
Interest and Finance Charges Capitalised #	(6,758.60)	(6,440.23)
Total	**35,034.57**	**38,695.62**

@ Miscellaneous Cost includes commitment charges, Bank charges and interest due to MSME Vendors.
# Refer Note No 4.2

29 Depreciation and amortisation expense

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation of property, plant and equipment	1,26,772.63	1,32,346.38
Amortisation of right-of-use assets	2,141.37	1,704.36
Amortisation of intangible assets	72.73	139.56
Total	**1,28,986.73**	**1,34,190.30**

30 Other expenses

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Advertisement Expenses	63.76	124.03
Advertisement of tenders / notices and other purchase related advertisement	436.11	433.98
Auditor's Remuneration		
Statutory Audit Fees	29.50	29.50
For Reimbursement of Expenses	10.62	9.00
For Reimbursement of GST on Audit Fee	6.93	6.93
Electricity Charges	8,748.08	9,716.03
Freight Charges	0.80	1.06
Insurance	292.07	437.27
IT & Communication related Exp	2,059.70	1,887.71
Legal & Professional (Technical/Consultancy/Other Auditors) Fees	898.14	2,155.88
Membership & Subscription	1,266.47	927.76
Miscellaneous Expenses	666.55	733.04
Balances Written off/ written back (Net)	84.77	426.15
Outsource Personnel Salary	13,071.15	11,352.98
Postage Telephone & Telex	333.13	337.82
Printing & Stationery	398.22	396.16
Rent	66.60	20.41
Rates & Taxes	1,647.92	1,331.07
Security Expenses	11,495.45	10,895.39
Travelling & Conveyance	960.16	771.15
Upkeep of office (incl Rest house maintenance)	1,480.57	1,250.27
Vehicle Running & Maintenance Expenses	580.70	552.36
Water charges	661.40	648.86
Expenditure on Hiring of Vehicles	3,937.68	3,648.26
Corporate Social Responsibility Expenses*	2,961.02	2,247.39
Expenses capitalised #	(1,757.50)	(1,605.10)
Total	**50,400.00**	**48,735.36**

* Refer Note No. 49 # Refer No 4.2

Note No 31 : Leases

I) Where company is a lessee :

The Company has entered into leasing arrangements for Land and Premises usage. Majority of the leases are cancellable by the Company. Right of Use and Lease Liabilities have been shown separately in the Balance Sheet.

The Company has adopted Ind AS 116 “Leases” with effect from April 1, 2019, with a modified retrospective approach. The Company has elected to account for short-term leases using the practical expedients i.e. instead of recognising right-of-use asset and lease liability, the payments in relation to these shot term leases are recognised as an expense in profit or loss. Company uses borrowing rate of 10.04% as considered by MERC during the approval of Interest Expenses on Normative Loans in its ARR Orders.

Right-of-use assets

(Rs in Lakhs)

Particulars	Category of ROU Asset		
	Leasehold land	Building	Total
Balance as at 1 April 2022	16,027.95	1,978.55	18,006.50
Recognized during the year	29.27	61.97	91.24
Payments during the year	(1.62)	(52.65)	(54.27)
Amortisation	(7,196.69)	(1,910.73)	(9,107.42)
Balance as at 31 March 2023	8,858.91	77.14	8,936.05
Recognized during the year	-	8,503.21	8,503.21
Payments during the year		(46.43)	(46.43)
Amortisation	(405.47)	(1,406.38)	(1,811.85)
Balance as at 31 March 2024	8,453.44	7,127.54	15,580.98

Lease Liabilities

I. Lease disclosures under Ind-AS 116 for the current year ended 31 March 2024

(i) Amount Recognised in the Balance sheet

(Rs in Lakhs)

Sr. No.	Particulars	For Year ended 31.03.2024	For Year ended 31.03.2023
a)	**Right-of-use assets (net)**	15,294.43	8,932.58
b)	**Lease liabilities**		
	Current	1,438.36	35.90
	Non-current	5,689.18	41.24
	Total Lease liabilities	**7,127.54**	**77.14**
c)	**Additions to the Right-of-use assets**	8,503.21	61.98

(ii) Amount recognised in the Statement of profit and Loss

(Rs in Lakhs)

Sr. No.	Particulars	For Year ended 31.03.2024	For Year ended 31.03.2023
a)	Depreciation charge for right-of-use assets	2,141.37	1,704.36
b)	Interest expenses (included in finance cost)	735.22	112.65

(iii) Maturity analysis of undiscounted lease liability

(Rs in Lakhs)

Period	For Year ended 31.03.2024	For Year ended 31.03.2023
Not Later than one year	1,569.15	2,066.58
Later than one year	6,198.85	65.00
Total	**7,768.00**	**2,131.58**

(iv) Amounts recognised in statement of Cash Flows

(Rs in Lakhs)

Particulars	For Year ended 31.03.2024	For Year ended 31.03.2023
Total Cash outflow for leases	(7,050.40)	1,901.41

The Company’s significant leasing/ licensing arrangements are mainly in respect of office premises. Leases generally have a lease term ranging for 60 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

Finance costs includes interest expense amounting to Rs 735.22 Lakhs for the year ended 31st March 2024 on lease liability accounted in accordance with Ind AS 116 “Leases”.

II) **Where Company is a lessor:**
The Company has given land to Maharashtra Eastern Grid Power Transmission Company Limited for 20 years for construction of 765/400 sub-station. Premium in respect of lease have been received from MEGPTL.

Note 32 Employee Benefits

a) **Defined Contribution Plans**
The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss. According to the Management, the Actuary has opined that actuarial valuation can not be applied reliably to measure provident fund liabilities in absence of guidance from the Actuary Society of India. The Fair value of investment is short by Rs. 21932 Lakhs (PY Rs. 921.59 Lakhs excess) than subscription value, hence provision is made by the Company. The Company recognised Rs. 9883.70 lakhs (previous year Rs. 9298.34 lakhs) for Provident Fund contribution in the Statement of Profit and Loss.The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Provident Fund

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

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Liability for subscriptions and interest payable to employees at the end of the year	2,35,615.00	2,11,330.23
Fair value of plan assets at the end of the year	2,13,683.00	2,12,251.82
Net Liability	**21,932.00**	**(921.59)**

ii) Description of plan assets

Particulars	As at 31st March 2024	As at 31st March 2023
Government Securities (GOI)	49.33%	42.13%
State Development Loan (SDL)	4.79%	5.14%
Other Security Gaurantee by Central/State Govt	22.45%	0.00%
Debt's and Other Related Instrument	2.02%	27.87%
Others	0.00%	1.97%
Exchange Traded Fund (ETF) SBI & UTI	4.37%	4.46%
Special Deposit Schemes(SDS)	17.04%	18.43%

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

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

Gratuity (Unfunded)
Movement in net defined benefit (asset)/ liability
i) Reconciliation of opening and closing balances of Gratuity obligation

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Defined benefit obligation at the beginning of the year	52,514.42	48,569.94
Current service cost	3,112.58	2,999.44
Past Service Cost		-
Net Interest cost	3,928.72	3,521.32
Actuarial (gain)/loss on Obligation - Due to change in Demographic Assumptions	-	0.00
Actuarial (gain)/loss on Obligation - Due to change in Financial Assumptions	1,635.44	(1,083.43)
Actuarial (gain)/loss on Obligation - Due to change in Experience	14,975.91	2,392.33
Benefits paid	(4,835.87)	(3,885.18)
Defined benefit obligation at the end of the year	**71,331.20**	**52,514.42**

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

Particulars	As at 31st March 2024	As at 31st March 2023
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

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

Particulars	As at 31st March 2024	As at 31st March 2023
Fair value of plan assets as at the end of the year	-	-
Present value of obligations as at the end of the year	(71,331.20)	(52,514.42)
Unfunded (Liability)/asset recognized in the Balance Sheet	(71,331.20)	(52,514.42)

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

Particulars	As at 31st March 2024	As at 31st March 2023
Current service cost	3,112.58	2,999.44
Interest cost	3,928.72	3,521.32
Past Service Cost	-	-
Expected return on plan assets	-	-
Net Actuarial (gain)/loss	-	-
Total expenses recognized in the Statement of Profit and Loss account	7,041.30	6,520.76

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

Particulars	As at 31st March 2024	As at 31st March 2023
Actuarial (Gains)/ Losses	-	-
- Changes in Demographic assumptions		-
- Changes in Financial arrangements	1,635.44	(1,083.43)
- Changes in the effect of limiting a net defined benefit asset ceiling, excluding amounts included in interest		-
- Experience adjustments	14,975.91	2,392.33

vi) Major Actuarial Assumptions

Particulars	As at 31st March 2024	As at 31st March 2023
Discount rate	7.22%	7.50%
Expected return on plan assets	NA	NA
Salary increment	5%	5%
Employee turnover	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Mortality rate after employment	NA	NA

vii) The expected future cash flows as on :

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Projected benefits payable in future years from the date of reporting		
1st following year	6,209.78	5,789.27
2nd following year	4,260.37	3,383.08
3rd following year	5,561.85	4,072.74
4th following year	5,723.23	4,115.56
5th following year	5,805.03	4,271.89
Sum of year 6 to 10	27,269.11	20,219.43
Sum of Year 11 and above	95,575.97	71,749.35

viii) Sensitivity analysis

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

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
(+) 1% change in rate of discounting	(5,558.91)	(3,968.30)
(-) 1% change in rate of discounting	6,404.20	4,580.38
(+) 1% change in rate of salary increase	6,483.41	4,649.63
(-) 1% change in rate of salary increase	(5,719.05)	(4,091.28)
(+) 1% change in rate of employee turnover	1,111.01	929.81
(-) 1% change in rate of employee turnover	(1,234.63)	(1,035.41)

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

c) Long Term Benefits: Leave Encashment

I) The Projected Benefit Obligation towards this Accumulating paid absences (Earn Leave Valuation) is tabulated below:

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Projected Benefit Obligation	55,918.20	46,578.44
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

ii) Major Actuarial Assumptions (Earn Leave Valuation)

Particulars	As at 31st March 2024	As at 31st March 2023
Discount rate	7.22%	7.50%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement Age	58 & 60 years	58 & 60 years
While in service encashment rate	NA	10% for the next year

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

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Projected Benefit Obligation	25,360.05	17,997.24
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

iv) Major Actuarial Assumptions (Half paid leave)

Particulars	As at 31st March 2024	As at 31st March 2023
Discount rate	7.22%	7.50%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement Age	58 & 60 years	58 & 60 years

Note 33: Related Party Transactions

In accordance with the requirements of Ind AS 24 Related Party Disclosures , names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are as follows:

Names of related parties and description of relationship	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest	
			Year ended 31st March 2024	Year ended 31st March 2023
Parent Limited MSEB Holding Company Limited (MSEBHCL)	India	Electricity Generation, Transmission and Distribution to Consumers	99.99%	99.99%
Associates Jaigad Power Transco Limited (JPTL)	India	Transmission of electricity	26%	26%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	India	Making available optical fibre capacity on lease	49%	35.02%

c) Key Managerial Personnel

Key Management Personnel Name	Designation	Tenure
Shri. Dinesh T. Waghmare	Chairman & Managing Director	till 02.05.2023
Dr Shri Sanjeev Kumar	Chairman & Managing Director	03.05.2023 onwards
Shri. Nasir Syed Quadrri	Director (Projects)	till 09.10.2023
Shri Sugat Gamare	Director (Human Resource)	10.01.2022 onwards
Shri. Ashok Phalnikar	CFO & Director(Finance)	till 31.01.2024
Smt Abha Shukla	Nominee Director	29.11.2022 onwards
Shri. Vishwas Pathak	Independent Director	28.08.2022 onwards
Smt. Trupti Nitin Mudholkar	Independent Director	till 29.02.2024
Smt. Vineeta Shriwani	Company Secretary	22.06.2015 onwards

d) Remuneration paid to Key Managerial Personnel

(Rs in Lakhs)

Key Managerial Personnel Name	Year ended 31st March 2024	Year ended 31st March 2023
Shri Dinesh T. Waghmare	7.84	14.31
Dr. Shri Sanjeev Kumar	33.42	-
Shri. Anil V Kolap	-	27.55
Shri Nasir Syed Quadrri	21.83	42.10
Shri Ashok Phalnikar	39.32	39.25
Shri Sugat Gamare	56.38	47.39
Smt. Vineeta Shriwani	35.26	33.56

e) Sitting Fees paid to Independent Directors

(Rs in Lakhs)

Name of Independent Directors	Year ended 31st March 2024	Year ended 31st March 2023
Shri Vishwas Pathak	0.75	0.45
Smt Trupti Nitin Mudholkar	0.45	0.50

f) Transactions during the year with Subsidiaries/Associates:

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Associates		
Jaigad Power Transco Limited		
Dividend Income	1,831.56	132.07
Bay Maintenance income	70.72	53.87
Total A	**1,902.28**	**185.94**
Maharashtra Transmission Communication Infrastructure Limited		
One time upfront payment for ROW	00.00	1,000.00
Issue of Right Issue of Equity	880.46	
Redemption of Preference Shares	(880.46)	**0.00**
Total B	**0.00**	**1,000.00**
TOTAL C= A+B	**1,902.28**	**1,185.94**

g) Outstanding balances with Associates:

(Rs in Lakhs)

Name of Associates	As at 31st March 2024	As at 31st March 2023
Investments in Equity Shares		
Jaigad Power Transco Limited	3,575.00	3,575.00
Maharashtra Transmission Communication Infrastructure Limited	1,760.92	880.46
Investments in Preference Shares		
Maharashtra Transmission Communication Infrastructure Limited	0.00	880.46

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

3 The Company has not included disclosure in respect of following related parties which are Government related entities as per Ind AS 24 Para 25:

Maharashtra State Power Generation Company Limited (MahaGenco) (MSPGCL)

Maharashtra State Electricity Distribution Company Limited (MahaVitaran) (MSEDCL)

MSEB Holding Company Limited (MSEBHCL)

Note 34 : Government Grants for capital assets

(Rs in Lakhs)

Capital / Government grants	Amount
As at 01.04.2022	**31,448.74**
Received during FY 2022-23	300.46
Interest received on GEC & PSDF Grants	0.00
Refunded to Government during the year FY 2022-23	(514.88)
Government Grant amortised during FY 2022-23	(1,706.67)
As at 31.03.2023	**29,527.65**
Received during FY 2023-24	207.09
Interest received on GEC & PSDF Grants	
Refunded to Government during the year FY 2023-24	-
Government Grant amortised during FY 2023-24	(2,007.80)
As at 31.03.2024	**27,726.94**

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

F. Y.	Grants Received (Rs in lakhs)	Reasons for unfulfilled conditions
Grant received for Construction of Substations and Lines for strentening of Transmission Network in 14 Districts		
2006-07	6,850.00	Total 29 Schemes out of which only 2 schemes are still ongoing, status thereof is unascertainable
2007-08	8,000.00	Total 21 Schemes out of which only 4 schemes are still ongoing, status thereof is unascertainable
2008-09	9,000.00	Total 79 Schemes out of which only 3 schemes are still ongoing, status thereof is unascertainable
Grant received as Power System Development Fund for System Improvement		
2017-18	874.40	Work in progress
2018-19	1,284.90	
2019-20	740.60	
2020-21	1,083.00	
2021-22	3,190.00	
Grant against Green Energy Corridor Project received as per the recommendation of 13th Finance Commission towards equity portion of MSETCL		
2017-18	7,500.00	Work in progress
2018-19	3,556.59	
2019-20	611.20	
2019-20(Refunded)	(3,500.00)	
2022-2023	300.46	
2023-2024	207.09	
Grant received from State Government towards 50% construction cost of Jawahar substation in Thane district under Tribal Sub Plan Area (TSP)		
2017-18	1,809.38	Work in progress
2018-19	182.20	
Grant in Aid from Ministry of Power, GoI (through PGCIL) for Renewable Energy Management Center (REMC) Assets as part of control infrastructure at Green energy corridors at 11 locations.		
2020-21	617.48	Assets handed over to SLDC by PGCIL

Interest Earned on GEC and PSDF Grant	-	

Note 35 : Earnings Per Share (EPS)

(Rs in Lakhs)

Particulars	For Year ended 31.03.2024	For Year ended 31.03.2023
Number of Equity Shares at the beginning of the year	8,98,49,74,733	8,98,49,74,733
Shares issued during the year (Nos)	-	-
Number of Equity Shares at the end of the year	8,98,49,74,733	8,98,49,74,733
Weighted Average No of Equity Shares	8,98,49,74,733	8,98,49,74,733
Profit for calculation of EPS (Rs in lakhs)	1,66,839.34	1,02,816.65
Basic and Diluted Earnings Per Share (Rs)	1.86	1.15

Note 36 : Tax expense

(a) Amounts recognised in statement of profit and loss **(Rs in Lakhs)**

Particulars	For Year ended 31.03.2024	For Year ended 31.03.2023
Current year	98,872.97	53,834.73
Short/Excess provision for earlier years	-	-
Current tax expense (A)	98,872.97	53,834.73
Origination and Reversal of Temporary Differences - Deferred Tax (Credit)/Charge	(2,647.72)	(1,106.66)
Deferred tax expense (B)	(2,647.72)	(1,106.66)
Tax expense recognised in the current statement (A) + (B)	96,225.25	52,728.07

(b) Amounts recognised in Other Comprehensive Income **(Rs in Lakhs)**

Particulars	For Year ended 31.03.2024			For Year ended 31.03.2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss : Remeasurements of the defined benefit plans	(16,611.35)	5,804.67	(10,806.68)	(1,308.90)	457.38	(851.52)
	(16,611.35)	5,804.67	(10,806.68)	(1,308.90)	457.38	(851.52)

(c) Reconciliation of effective tax rate **(Rs in Lakhs)**

Particulars	Year ended 31st March 2024		Year ended 31st March 2023	
	%	Rs. In lakhs	%	Rs. In lakhs
Profit before Tax		2,73,871.27		1,56,396.24
Current Tax using Applicable Tax Rate	34.94	95,701.58	34.94	54,651.10
Tax effect of:				
Non-deductible Expenses	1.75	4,799.01	1.08	1,684.93
Allowable Expenses	0.82	2,236.81	1.42	2,222.94
Deduction u/s 80-IA	-1.41	(3,864.43)	(3.02)	(4,723.78)
DTL Reversal on Reclassification of Spares	0.00		-	-
DTL on Property, Plant & Equipment (incl Intangible Assets and ROUA)	1.08	2,949.13	2.19	3,429.65
DTL on Intangible Assets	0.02	59.93		96.87
DTA on Others	-2.07	(5,656.77)	(2.96)	(4,633.63)
Current Tax as per P&L and Effective Tax Rate	35.14	96,225.25	33.71	52,728.07

Note 36: Tax expense (continued)

(d) Movement in deferred tax balances

(Rs in Lakhs)

Particulars	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	31 March 2024 Net	31 March 2024 Deferred tax asset	31 March 2024 Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets and revaluation impact)	(2,90,051.04)	(95.29)		-	(2,90,146.33)	-	(2,90,146.33)
Intangibles Assets	(289.01)	(59.93)			(348.94)	-	(348.94)
Right of Use Assets and its lease liability	(2,918.64)	(2,853.84)		-	(5,772.48)	-	(5,772.48)
Transaction Cost for Borrowings	820.34			-	820.34	820.34	-
Employee benefits	31,641.79	4,955.17	5,804.67	-	42,401.63	42,401.63	-
Provisions (Trade Receivables)	963.09			-	963.09	963.09	-
Government grant	1,828.59	701.61		-	2,530.19	2,530.19	-
Investment in government security	1,616.43	-		-	1,616.43	1,616.43	-
Other items	7,778.41			-	7,778.41	7,778.41	-
Tax assets (Liabilities)	(2,48,610.04)	2,647.72	5,804.67	-	(2,40,157.65)	56,110.10	(2,96,267.75)
Reversal of Opening DTL	3,499.92	-	-	-	3,499.92	3,499.92	-
Tax assets (Liabilities) (Net)	(2,45,110.12)	2,647.72	5,804.67	-	(2,36,657.73)	59,610.02	(2,96,267.75)

(e) Movement in deferred tax balances

(Rs in Lakhs)

Particulars	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	31 March 2023 Net	31 March 2023 Deferred tax asset	31 March 2023 Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,89,715.84)	(335.21)	-	-	(2,90,051.04)	-	(2,90,051.04)
Intangibles Assets	(192.14)	(96.87)			(289.01)	-	(289.01)
Right of Use Assets and its lease liability	175.81	(3,094.44)	-	-	(2,918.64)	-	(2,918.64)
Transaction Cost for Borrowings	820.34	-	-	-	820.34	820.34	-
Employee benefits	27,216.50	3,967.91	457.38	-	31,641.79	31,641.79	-
Provisions	963.09	-	-	-	963.09	963.09	-
Government grant	1,232.21	596.38	-	-	1,828.59	1,828.59	-
Investment in government security	1,547.55	68.88	-	-	1,616.43	1,616.43	-
Other items	7,778.41	-	-	-	7,778.41	7,778.41	-
Tax assets (Liabilities)	(2,50,174.11)	1,106.66	457.38	-	(2,48,610.03)	44,648.66	(2,93,258.69)
Reversal of Opening DTL	3,499.92	-	-	-	3,499.92	3,499.92	-
Tax assets (Liabilities) (Net)	(2,46,674.15)	1,106.66	457.38	-	(2,45,110.11)	48,148.58	(2,93,258.69)

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

Note No. 37

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost:

(Rs in Lakhs)

Particulars	31.03.2024	31.03.2023
	Amortised Cost	Amortised Cost
Non -current financial Assets		
Investments	1,44,547.66	1,26,680.86
Loans #	136.93	137.35
Current Financial assets		
Investments	12,219.10	2,739.24
Loans #	313.05	265.35
Other Financial Assets #	22,178.36	12,741.43
Total	**1,79,395.11**	**1,42,564.22**
Non - current Financial Liabilities		
Borrowings #	3,17,978.72	3,96,297.24
Other non - current Financial Liabilities #	1,33,821.61	1,40,118.70
Current Financial liabilities		
Borrowings #	85,557.68	87,354.53
Trade Payables #	32,375.00	24,533.16
Other Financial Liabilities #	11,926.25	12,662.59
Total	**5,81,659.26**	**6,60,966.22**

The above amounts are considered at cost

MSETCL has identified financial risk and categorized them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from customers and investment securities. MSETCL establishes the policy for allowance for expected credit loss and impairment that represents its estimate of losses in respect of trade, other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amounts.

Trade receivables:

As per the accounting policy, MSETCL has determined the allowance of expected credit loss on trade receivables arising out of its business of primary electricity transmission utility in the state of Maharashtra and taking into consideration its base of customers comprising of distribution Licensees, Wheeling of power and receivables from other services including STU and allied servies which contains major amounts to be recovered from fellow subsidiairies or entities which are also public sector entities

Major Trade receivables of MSETCL are of a short duration and do not carry any contractual rate of interest unless there is a default in payment. Even in such circumstances when a Transmission System User (TSU) consumer pays the arrears, the interest is the last element to be recovered. Accordingly, effective interest rate of trade receivables is considered to be negligible and discounting of expected cash shortfalls to reflect the time value of money are considered to measure the expected credit losses

The Company works out the expected credit losses of trade receivables (which are presently considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables from services as described above. **However MSETCL, after considering the behaviour pattern of the customers has not made the provision for expected credit loss, other than for the identified doubtful receivables.**

The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

Trade Receivable ageing Schedule as at 31 March 2024

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered Good	1,13,318.54	6,161.40	27,275.68	13,018.96	1,26,956.13	2,86,730.70
(ii) Undisputed Trade Receivables - Increased Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Increased Credit Risk	-	-	-	-	11,613.59	11,613.59
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
TOTAL	**1,13,318.54**	**6,161.40**	**27,275.68**	**13,018.96**	**1,38,569.72**	**2,98,344.29**
Less: Allowance for bad and doubtful debts - (Disputed + Undisputed)	-	-	-	-	11,613.59	11,613.59
TOTAL	**1,13,318.54**	**6,161.40**	**27,275.68**	**13,018.96**	**1,26,956.13**	**2,86,730.70**

Trade Receivable ageing Schedule as at 31 March 2023

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered Good	1,44,989.52	1,568.54	14,111.18	75,188.21	1,40,906.09	3,76,763.54
(ii) Undisputed Trade Receivables - Increased Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Increased Credit Risk	-	-	-	-	11,613.59	11,613.59
(vi) Disputed Trade Receivables - Credit Impaired						-
TOTAL	**1,44,989.52**	**1,568.54**	**14,111.18**	**75,188.21**	**1,52,519.68**	**3,88,377.13**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	11,613.59	11,613.59
TOTAL	**1,44,989.52**	**1,568.54**	**14,111.18**	**75,188.21**	**1,40,906.09**	**3,76,763.54**

1. There are no trade or other receivable which are either due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

2. Trade receivables are non-interest bearing.

Trade Payable Ageing Schedule as at 31 March 2024 (Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
(i) MSME	2,528.24	30.07	0.94	0.10	2,559.35
(ii) Others	19,193.86	243.82	196.48	10,181.49	29,815.65
Disputed Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
TOTAL	**21,722.10**	**273.89**	**197.42**	**10,181.59**	**32,375.00**

Trade Payable Ageing Schedule as at 31 March 2023 (Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
(i) MSME	383.62	9.39	23.90	13.22	430.13
(ii) Others	13,206.51	123.65	2,055.81	8,717.06	24,103.03
Disputed Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
TOTAL	**13,590.13**	**133.04**	**2,079.71**	**8,730.28**	**24,533.16**

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company: (Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Amount remaining unpaid to any supplier at the end of accounting year		
Principal	2,559.35	430.13
Interest	19.91	49.35
Total	**2,579.26**	**479.48**

Liquidity risk

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

(i) Financing arrangements

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

(ii) Maturities of financial liabilities

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

(Rs in Lakhs)

Particulars	Contractual cash flows					
	31.03.2024			31.03.2023		
	Upto 1 year	2-3 years	More than 3 years	Upto 1 year	2-3 years	More than 3 years
Non-derivative financial liabilities						
Borrowings	86,595	1,34,181	1,82,760	87,382	1,55,992	2,40,278
Total	**86,595**	**1,34,181**	**1,82,760**	**87,382**	**1,55,992**	**2,40,278**

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

Interest rate risk exposure:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(Rs in Lakhs)

Particulars	Carrying amount	
	31.03.2024	31.03.2023
Fixed-rate instruments		
Financial assets	1,56,766.76	1,29,420.10
Financial liabilities	4,897.16	5,865.02
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	3,98,639.24	4,77,786.75

Cash flow sensitivity analysis for variable-rate instruments

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

(Rs in Lakhs)

Particulars	Profit or Loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2024		31.03.2023	
Floating rate borrowings	996.60	(996.60)	1,194.47	(1,194.47)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	996.60	(996.60)	1,194.47	(1,194.47)

Note 38 A : Details of Associates

Name of Associate	Country of Incorporation	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
				As at 31st March 2024	As at 31st March 2023
Equity Shares					
Jaigad Power Transco Ltd (JPTL)	India	Transmission of electricity	Mumbai	26.00%	26.00%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	India	Making available optical fibre capacity on lease	Mumbai	49.00%	35.02%

The above entities have share capital consisting solely of equity shares, which are held directly by the Company. The proportion of ownership interest is the same as the proportion of voting rights held.

The Company has agreement with the above entities that the profits of these entities cannot be distributed without the Company's consent. The Company does not 'foresee giving such consent at the reporting date.

Preference Shares

Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	0.00%	100.00%

During the year the company has redeemed its Preference Shares pertaining to MTCIL for Cash Consideration. MTCIL has issued an Right Issue which was subscribed by the Company for Cash , there by increasing its shareholding in MTCIL.

Note 38 B : Aggregate Summarised Financial Information of Associates that are not individually material

(Rs in Lakhs)

Associates	Jaigad Power Transco Ltd (JPTL)		Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Carrying amount of Investment in Equity Shares	3,575.00	3,575.00	1,760.92	880.46
Carrying amount of Investment in Preference Shares			-	880.46
Company's Share of Profit or Loss from Continuing Operations	838.66	852.95	1,548.12	756.57
Company's share in other comprehensive income	(0.31)	0.22	-	-
Company's share in Total comprehensive income	**838.35**	**853.17**	**1,548.12**	**756.57**

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Aggregate carrying amount of the Company's interest in these Associates	5,335.92	5,335.92
Carrying amount of the Company's interest in these Associates	5,335.92	5,335.92

Note 39: Assets hypothecated / pledged as security

The carrying amount of assets hypothecated / mortgaged as security for current and non-current borrowings are: **(Rs in Lakhs)**

Particulars	As at 31st March 2024	As at 31st March 2023
Security created in respect of Non-current Borrowings		
Property, plant and equipment excluding leasehold land	15,31,782	15,31,782
Security created in respect of Current Borrowings		
i) Fixed Deposit Receipts	20,000	20,730
ii) Post Dated Cheques	-	-
Total assets as security	**15,51,782**	**15,52,512**

Note 40: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capitaland all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern of the business.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total Debt is defined as aggregate of long-term borrowings, short-term borrowings and current maturities of long term debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Rs in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Equity	15,92,644.31	14,26,037.85
Total Equity	15,92,644.31	14,26,037.85
Borrowings	4,03,536.40	4,83,651.77
Less: Cash and Cash equivalents	(12,303.49)	(41,707.20)
Total debt	3,91,232.91	4,41,944.57
Overall financing	19,83,877.22	18,67,982.42
Net Debt to Equity Ratio	0.25	0.31

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024.

Note 41: Other Notes

41.1Contingency Reserve Fund, Special Reserve Fund & Load Despatch Center Empowerment Reserve (LDCD) Fund :

As per directions of MERC vide Order No. 232 of 2023 dated 31st March 2023, the Company for FY 2023-24 has appropriated an amount of Rs. 7,707.00 Lakhs (Previous Year Rs. 7,323.00 Lakhs) towards Contingency Reserve Fund.

An amount of Rs. NIL (Previous Year Rs. NIL) has been appropriated towards Special Reserve Fund.

An amount of Rs NIL (Previous Year Rs NIL Lakhs apporpriated) has been withdrawn from Load Despatch Center Empowerment Reserve (LDCD) Fund.

41.2 Secured Loans:-

(Rs in Lakhs)

	Loans Secured By			
Name of the Institution	Guarantee from State Government	Hypothecation against future assets	Mortgage against existing assets	Total
Rural Electrification Corporation Limited (REC)	NIL	2,27,376.11		2,27,376.11
Power Finance Corporation Limited (PFC)	NIL	41,365.00		41,365.00
ICICI BANK	NIL	10,862.57		10,862.57
Canara Bank	NIL	10,191.48		10,191.48
Bank of India BOI-1	NIL	1,961.89		1,961.89
Bank of India BOI-2	NIL	24,362.56		24,362.56
Bank of Maharashtra	NIL	50,016.79		50,016.79
Bank of India BOI-3	NIL	19,474.54		19,474.54
Interest Free GoM Loan	12,000.00	-	-	-

Repayment Schedule of Long Term Loan Liabilities

Particulars	Rural Electrification Corporation	Power Finance Corporation	Bank of India-1	Bank of India-2	Bank of India-3	Canara Bank	Interest Free GoM Loan	KFW	Bank of Maharashtra	ICICI BANK
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Special Assistance	Term Loan	Term Loan	Term Loan
Loan Amount	Up to Borrowing Limit Rs.5,69,400 Lakhs	Up to Borrowing Limit Rs.3,97,600 Lakhs	Rs 30,000 Lakhs	Rs 75,000 Lakhs	Rs 50,000 Lakhs	Rs 50,000 Lakhs	Rs.12,000 Lakhs	Rs 10,250 Lakhs (12 million Euro)	Rs 1,20,000 Lakhs	Rs 50,000 Lakhs
Period (Term)	13 Years (3+10)	18 Years (3+15)	13 Years (3+10)	13 Years (3+10)	13 Years (3+10)	13 Years (3+10)	50 Years	15 Years (5+10)	13 Years (3+10)	6.5 Years
Moratorium Period	3 Years	3 Years	3 Years	3 Years	3 Years	3 Years	-	5 Years	3 Years	Nil
Repayment	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing	-	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Refinancing of Loan	Refinancing of Loan
Rate of Interest (Floating) at year end	10.00%	10.00%	8.28%	8.80%	8.40%	8.70%	-	1.27%	8.40%	9.50%
			With annually reset	With reset Monthly	With reset Monthly	With annually reset			With annually reset	With Quarterly reset
Terms of Payment	Yearly	Quarterly	20 Half yearly	40 Quarterly equal Installment	40 quarterly installment	40 quarterly installment	-	Semi Annually	Monthly	Monthly Quarterly & Yearly
Upfront Fees	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commitment Charges	Upto 500 Cr -Nil Above 500 Cr - 0.25% P.A. on undrawn Amount of Quarter till the Date of Actual Drawal	Upto 500 Cr - Nil Above 500 Cr- 0.25% P.A. on undrawn Amount of the Previous Quarter from the first day of following Quarter till the Actual Date of Drawal	Nil	Nil	Nil	Nil	Nil	0.20% pa on undisbursed amount	Nil	Nil
Margin Money Requirement (Equity) From 01.04.2017	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	Nil	20%	Nil	Nil

Foreign Currency Loan

Loan Secured by	KFW (Rs.) in Lakhs	EURO in Million
Guarantee from Central Government	5922.40	6.55

Note No 42 : Contingent Liabilities and Contingent assets

1. Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges, Interest for delayed payments made,under MSME Act, etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of Rs 17,537.82 Lakhs (P.Y. Rs.40,824.74 Lakhs) has been estimated.

(ii) Land/ Crop compensation & Enhancement in Compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of Rs 11,671.51 lakhs (P.Y. Rs.22,051.15 Lakhs) has been estimated.

(iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of Rs 11,223.66 Lakhs (P.Y. Rs. 11,228.36 Lakhs) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to Rs. 2,29,889.07 Lakhs (P.Y. Rs. 75,943.93 Lakhs) are being contested before various Appellate Authorities. Many of these matters are disposed of in favour of the company but are disputed before higher authorities by the concerned departments.

(v) Financials Guaranttees

MSETCL has provided financial guarantees in the form of Bank Guarantee's amounting to Rs. 32.95 lakhs (P.Y. Rs. 32.95 Lakhs) to various Authorities for construction of Transmission Sub-stations and Transmission Lines.

(vi) Others

a) Other contingent liabilities pertaining to Employee claims amounts to Rs. 211.47 Lakhs (P.Y. Rs.305.11 Lakhs) .

b) Some of the beneficiaries have filed appeals against the tariff orders of the MERC. The amount of contingent liability in this regard is Rs. 3,17,092.83 Lakhs (PY Rs.3,26,699.91 Lakhs)

Note 43 : Commitments

Expenditures committed for at the end of reporting year is as follows:

(Rs. In lakhs)

A	Capital Commitments Not Recognised as Liabilities	31.03.2024	31.03.2023
	Property, Plant and Equipment	6,57,170.89	5,19,959.01
	Less: Capital Advances	(1,107)	(602)
	Net Capital Commitments	**6,56,064.13**	**5,19,356.88**

(Rs. In lakhs)

B	Corporate Social Responsibility	31.03.2024	31.03.2023
	Unspent CSR Liability	8,780.00	8,312.19

Note 44:

Balances of Trade Receivables, Financial assets - Loans and advances are subject to confirmation and reconciliation. The Company is taking necessary steps for reconciliation and confirmation of the same.

Note 45:

The Company generally makes payment to its creditors within a period of 45 days as stipulated in the Micro, Small and Medium Enterprise Act 2006. The Company has not provided any interest payable to Micro and Small Enterprise as required by the aforesaid Act as claims are pending due to non submission of details/documents from Vendors.

Note 46:

The group Company's Receivables & Payables are subject to confirmation and reconciliation. These items interalia includes an adjustments. It's long pending inter-unit advise payable balances of Rs 22,697.26 lakhs (Receivables Rs 19,679.53 lakhs upto FY 2017-18 and Rs. 324.29 Lakhs upto FY 2019-20. Payables Rs 40,863.03 lakhs upto FY 2017-18 and Rs.1,838.05 Lakhs upto FY 2019-20 i.e Net payable Rs 22,697.26 lakhs) pertaining to MSEDCL through the Receivable against Transmission Charges from MSEDCL by Rs.21,183.50 in FY 2017-18 and Rs.1,513.76 Lakhs in FY 2019-20.

Note 47:

In accordance with Ind AS 36 - Impairment of assets, impairement analyis of assets of Transmission activity of the Company by evaluation of its Cash Generating Units, was carried out by outside agency in the year 2006-07 and since recoverable was more than the carrying amount thereof, no impairment loss was recognised.

Note 48:

MSETCL is consistently following its accounting policy regarding recognition of other income on ‘accrual basis except when ultimate realization of such income is uncertain’ as mentioned in Note no. 2.15 which is in commensurate with applicable accounting standard. As such Delayed Payment Charges (DPC) being part of other income is recognized only to the extent of realized amount. Thus by adopting this policy the accounts of each financial years have been finalized on the basis of which Truing-up (Provisional / Final) is done by MERC as mentioned in clause 37.1 of MYT Regulations 2019 (applicable upto FY 2024-25).

MERC has done truing-up for every financial year based on the accounts and not adjusted the amount of Delayed Payment Charges upto truing up of FY 2014-15 as the same was not accounted for in the accounts. However, MERC while carrying out provisional true-up for FY 2015-16 has reduced ARR by Rs.85,499.00 lakhs towards Delayed Payment Charges related to the earlier financial years including FY 2015-16 which have been not accounted for in accounts as per accounting policy. Apart from this adjustment, MSETCL is entitled for its legitimate ARR of Rs.3,94,437.00 lakhs as is evident from MERC order dtd. 7th July 2016 in case no. 31 of 2016. To match with this entitled ARR accrued in FY 2016-17, MSETCL has accounted for Rs.75,476.11 lakhs as other income being shortfall in ARR which has resulted on account of adjustment towards DPC in FY 2016-17. Further, MSETCL has filed an appeal before APTEL against the order of MERC in case No 31 of 2016 vide Appeal No 67 of 2017.

Considering the above adjustment, an amount of DPC accumulated as on 31st March 2024 Rs. 2,61,524 lakhs have not been booked as per consistent accounting policy followed.

Note 49:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are as mentioned in below table. A CSR Committee has been formed by the Company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Accordingly, Company has made provision of Rs. 2,960.54 lakhs in C.Y. (P.Y. Rs 2,247.39 lakhs) u/s 135 (Corporate Social Responsibility) of Companies Act 2013. In accordance with Circular no. 14 dated 24 August 2021 issued by the Ministry of Corporate Affairs regarding clarifications on CSR related work, the Company has transferred Rs 8780.00 upto April 2024 to a seperate bank account 'Unspent CSR Account.

(Rs. In lakhs)

Particulars	2023-24	20222-23
Amount required to be spent as per Section 135 of the Companies Act, 2013	8,312.19	6,765.06
Add : Provision made during the year	2,960.54	2,247.39
Amount spent during the year		
Education, Sports and Health	570.21	256.36
Social Sector, Contribution to relief fund & Agriculture	232.09	-
Infrastructure & Electrification	1,690.43	443.90
Outstanding CSR Liability to be spent	8,780.00	8,312.19

(Rs. In lakhs)

Particulars	2023-24	20222-23
Gross Amount required to be spent as per Section 135 of the Act	2,960.54	2,247.39
Add: Amount Unspent from previous years	8,312.19	6,765.06
Total Gross amount required to be spent during the year	**11,272.73**	**9,012.45**
Amount approved by the Board to be spent during the year	11,272.73	9,012.45

(Rs. In lakhs)

Particulars	2023-24	20222-23
Amount spent during the year on		
(i) Construction/acquisition of an asset	2,492.73	700.26
(ii) On purposes other than (i) above	-	-

Details related to amount spent/ unspent **(Rs. In lakhs)**

Particulars	2023-24	20222-23
Amount spent during the year		
Education, Sports and Health	570.21	256.36
Social Sector, Contribution to relief fund & Agriculture	232.09	-
Infrastructure & Electrification	1,690.43	443.90
Accrual towards unspent obligations in relation to:		
Ongoing projects	8,780.00	8,312.19
Other than Ongoing projects	-	-
TOTAL	**11,272.73**	**9,012.45**

Note 50:

In order to facilitate integration & evacuation of large scale renewable energy generation (Solar / Wind) envisaged to come up in renewable energy rich state MNRE & Govt of India has undertaken the Green Energy Corridor for seamless evacuation of Green Energy in 12 th Five Year plan .Under the approved DPR 27 No of transmission elements (220 kV/132 kV transmission Lines with End Bays) are sanctioned under various zones. The original cost of scheme was Rs. 367 Cr.

The agreement is executed on 1.12.2017 for loan of EUR 12,000,000 between KFW Frankfurt am Main ("KfW")

The said scheme is proposed to be financed as: -

MSETCL Equity - 20 %

National Clean Energy Fund (Grant) - 40 %

KFW (German Development Bank) Loan- 40 % (12 Million EUROs)

GEC-I works were tenderized for 19 elements (excluding 8 lines & 16 bays) for an amount of Rs. 168.72 Cr. against original DPR Scheme cost of Rs. 367 Cr. Accordingly the funding of Grant, Debt & Equity is as follows:-

20% MSETCL Equity - Rs. 33.74 Crs.

40% National Clean Energy Fund (Grant)- Rs. 67.49 Crs.

40% KFW (German Development Bank) Loan- Rs. 67.49 Crs.

The MSETCL has lodged its first claim for disbursement of loan with Office of CAAA (Controller of Aid Accounts and Audit Division, Ministry of Finance) which in turn lodge the same with KfW, Germany for disbursement. On receipt of claim from CAAA, KFW releases the disbursement to CAAA and routed from CAAA to State government. The State government on receipt of KFW Loan, issues GR after Budget approval and transfers the amount of loan to MSETCL's Bank Account.

The first disbursement was made by KfW on 8-May-2019 before which nothing was requested as no billing was made by vendors related to work allocated for kfw loan . The disbursement of loan depends upon the progress of work of project. Upto 31-Mar-2024 the MSETCL has received loan amount of EURO 82,63,220 (Rs.67,69,20,776) and Repayment is made upto March 2024 of EURO 17,13,000 (Rs.15,42,74,722)

As per clause 3, of Loan Agreement Borrower has to pay non refundable Commitment Fee of 0.20% per annum on undisbursed Loan amount. Kfw has charged the Commitment fee Rs. 5.76 lakhs (P.Y.Rs. 8.95 lakhs) which is charged to P&L.

Also forex loss on translations at the year end is also debited to P&L amounting to Rs.68 Lakhs (P.Y. of Rs.547 Lakhs) as the exchange risk lies with MSETCL.

Note 51:

Designated Current Account operated and maintained in terms of MERC Regulation pertaining to Third Party Liabilities

MSPC UI (Unscheduled Interchange) Settlement Op. Account (FBSM Pool Account), MSPC (Maharashtra State Power Committee) Reimbursement Op. A/C, MSLDC RE-DSM Op. Account (RE-SDM Pool Account) and MSLDC DSM Pool Op. Account (DSM Pool Account).

The Maharashtra Electricity Regulatory Commission (MERC) had issued a Suo Moto Order in case number of 42 of 2006 on 17th May, 2007 whereby it introduced the Weighted Average System Marginal Pricing (WASMP) based Balancing and Settlement Mechanism. The Maharashtra State Load Despatch Centre (MSLDC) had prepared the Balancing and Settlement Code (BSC) 4th July, 2009 which was approved by the MERC vide its letter dated 26 August, 2009. The BSC was operationalised in the state from 1st August, 2011.

The MERC vide Various Regulations has directed the MSLDC to operate and maintain MSPC UI Settlement Op. Account (FBSM Pool Account),MSPC Reimbursement Op. A/C, MSLDC RE-DSM Op. Account (RE-SDM Pool Account) and MSLDC DSM Pool Op. Account (DSM Pool Account). MSLDC have been assigned the function to maintain there various Regulatory Fund Accounts under the respective Regulations issued by MERC. MSLDC is to manage these Funds as Custodian of these funds as Nodal Agency till some other entity is identified by MERC.

As per MERC order in case no. 42 of 2006 dt. 17.05.2007 clause no. 5.1(g) MSLDC on behalf of State Pool Participants shall collect on weekly basis and make payment towards Settlement of UI (Unscheduled Interchange) charges. Accordingly, MSPC UI Settlement Operative Bank Account is opened in Bank of Maharashtra, Airoli Branch on dt. 11.11.2008,bearing Account No. 20130402907. As per clause No. 5.1(g) MSPC shall open and maintain a bank account to receive/release payments in respect of settlement among State Pool Participants. Also MSLDC had opened one Current Bank Account (New) with Bank of Maharashtra, Airoli Branch on dt. 11.11.2008, bearing Account No. 60029434202 to meet expenditure of MSPC which will be shared by the State Pool Participants i.e. all Distribution Companies in the Intra State.

The MERC has formulated F&S Regulations, namely, Maharashtra Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018. These Regulations are intended to facilitate Grid integration of Wind and Solar energy generated in Maharashtra while maintaining Grid stability and security as envisaged under the State Grid Code and the Act, through forecasting, scheduling and a mechanism for the settlement of deviations by such generators. MERC has notified RE-DSM Regulations on 20.07.2018 and which was to be implemented from 01.07.2019. For that purpose one Current Bank Account (New) was required for Deviation Charges. As per the roles and responsibilities of MSLDC under MERC approved procedure for RE-DSM, vide section 5.5, MSLDC is "To maintain State Deviation Settlement Account for wind and solar generations". In this Account Deviation charges amount will be credited as well as amount will be disbursed from this Bank Account. This bank account needs to be opened in the name of MSLDC and PAN and GST no. of MSETCL shall be used. Accordingly, MSLDC has opened 2nd Third Party Bank Account with Bank of Maharashtra, Airoli Branch on dt. 30.05.2019, bearing Account No. 60331835878.

The MERC had issued a Suo- Motu order in Case No. 42 of 2006 on 17 May, 2007, whereby it introduced the WASMP based Balancing and Settlement Mechanism in Maharashtra. The MERC decided to review the existing Balancing and Settlement Mechanism and to introduce the Deviation Settlement Mechanism in Maharashtra. Subsequently, MERC has notified DSM Regulations on 01.03.2019 and which was to be implemented from 01.04.2020. For that purpose one separate Current Bank Account (New) was required for Deviation charges. As per clause 15 (B) of DSM Regulations, "All payment on account of Charges for Deviation including Additional Charges for Deviation levied under these Regulations and interest, if any, received for late payment shall be credited to the funds called "State Deviation Pool Account" which shall be maintained and operated by the MSLDC in accordance with the provision of these Regulations. In this account, Deviation charges amount will be credited as well as amount will be disbursed from this bank account. This bank account needs to be opened in the name of MSLDC and PAN and GST no. of MSETCL shall be used. Accordingly, MSLDC has opened 3rd Third Party Bank Account with Bank of Maharashtra, Airoli Branch on dt. 31.12.2019, bearing Account No. 60349865315.DSM Billing through DSM software actually started on 11.10.2021.For this purpose,as per approved office note dt 28.09.2021 4th

Third Party current A/c bearing A/c number 60396224159 , Namely "MSLDC DSM POOL OPERATIVE A/C for Link with online bill desk payment Gateway opened & current A/c number 60349865315 is renamed as MSLDC DSM Corpus A/c to sort the reconciliation issues of corpus refunded,forfeitted & adjustments.Further As the MERC Regulation 70 (Multi -Year Tariff)2019 is implemented in Maharashtra ,Generating station shall inject/absorb reactive energy into the grid on the basis of machine capability as per the directions of SLDC.It is the responsibility of SLDC to maintain state Reactive Energy Pool A/c.Hence as per approved note ,MSLDC REACTIVE PooL A/C bearing A/c number 60406305880 is opened.

An amount of surplus funds in the State Deviation Pool Account at the end of the financial year shall be utilized for the purpose of improvements in power system operations, for undertaking such measures and studies for improvement in reliability, security and safety of grid operations, undertaking capacity building and training programs related to system operations and market operations and for such other purposes as may be specified by MERC or for other schemes as may be devised in consultation with National Load Despatch Centre, or Regional Load Despatch Centre, with prior approval of the MERC.

Provided that, the short fall in funds in the State Deviation Pool Account; if any, at the end of the weekly settlement period shall be recovered by levy of additional charges from the State Entities in proportion to Net Deviation Charges Payable by concerned State Entity for the applicable weekly settlement period through supplementary bills.

Provided further that MSLDC shall prepare scheme (S) and shall submit annual plan for utilization of surplus funds and implement the scheme (S) only upon approval of the MERC.

As per Clause 1(2), These DSM Regulations except commercial arrangements, Deviation Charges, Additional Charges for Deviation and penal action shall come into force on the date of notification in these Regulations in the Official Gazette. Provided that the commercial arrangements specified under Clause (9) and (10) of these DSM Regulations, and the related provisions regarding Deviation Charges, Additional Charge for Deviation and penal actions if any shall come into force from date to be notified separately through Order, which shall not be later than 1st April 2020. Provided further that until notification of such date as referred here in above under first proviso, the Final Balancing and Settlement Mechanism (FBSM) as approved by Commission under Order in Case 42 of 2006 along with relevant amendments from time to time shall be in operation for the purpose of energy accounting and deviation settlement.

These funds are equally matched with fund balance in the Third Party Bank Accounts in the current account. As on 31.03.2024 the total balance in these designated Third Party Bank Accounts was amount to Rs. 8,552.83 Lakhs (Previous Year Rs. 21,266.10 Lakhs) as against the Third Party liability in these funds amounting to Rs. 8,552.83 Lakhs (Previous Year Rs. 21,266.09 Lakhs).These total amount of Rs 22,209.10 Lakhs (opening balance of third party Account) bifurcated as REDSM Current A/c, DSM current A/c, Designated Current A/c & MSPC reimb current A/c on 1.04.2022 .Further DSM current A/c renamed as DSM corpus A/c & additional current A/c namely MSLDC DSM POOL Operative A/c opened .Total of five current A/c have closing Balance as on 31.03.2024 Rs 8,552.83 Lakhs.

In the Suo-moto order dt 02.08.2022 commission accepted the recommendation of working group and views of MSPC regarding investment of corpus of DSM Pool Amount in Government securities or FD in nationalised Bank(considering liquidity requirements)through MSETCL PAN and a separate saving bank A/c with MSETCL PAN and provide the credit of accrued interest income net of tax (as applicable) to the benefit of DSM PooL Account.In view of this Decision regarding investing the corpus Amount in FD or Government securities needs to be taken for further process of investment.Finance section prepared elaborated PPT of both the investment methods.It was proposed to conclude above issue as an Agenda item in forthcoming MSPC meetingfor getting final decision for investment of corpus funds & mode of investment.

Note 52:

Prior Period Depreciation(Net) of Rs. 1,358.48 lakhs (P.Y. Rs 9,357.17 lakhs) due to late receipt of WRC and late receipt of Previous year Other Income Rs 133.31 lakhs (P.Y Rs 77.23 lakhs) have not been recasted.

Note 53:

Depreciation for Cost of Land Development which was charged @ 3.34% in line with Other Civil Works till FY 2022-23 have been recomputed @ 5.28% retrospectively in line with depreciation for Sub-station. Since the differential amount is immaterial so the same have not been restated in the Financial Statements.

Note 54 : Additional disclosure as per ammened schedule III (Division II) of the Companies Act 2013

I) There are no amount of dividends proposed to be distributed to equity shareholders for the year ended March 31, 2024

ii) There are no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions for the year ended March 31, 2024.

iii) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2024.

iv) The Company has not granted any Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties either severally or jointly with any other person during the year ended March 31, 2024.

iv) The Company does not have any Intangible assets under development for the year ended March 31, 2024.

v) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

vi) The Company has not raised any borrowings from banks or financial institutions on the basis of security of current assets during the year ended March 31, 2024.

vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

viii) The Company has transactions with struck off companies. - Refer Note no.56

ix) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.

x) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

xi) Financial Ratios - Refer Note no.57

xii) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act during the year ended March 31, 2024.

xiii) Utilisation of borrowed funds and share premium :

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

xiv) There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending March 31, 2024 and March 31, 2023 which needs to be recorded in the books of account of the Company.

xv) The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2024.

Note 55:

Previous year's figures have been regrouped wherever necessary for appropriate presentation of Financial Statements to comply with the provisions of Schedule III as per the Companies Act, 2013.

Note No.56 :
The Company has transactions with the following Companies Struck Off under Section 248 of the Companies Act, 2013, identified based on the data available with the Company.

Name of the Struck Off company	Nature of Transaction with Struck Off Company	Balance Outstanding as at 31st March 2024	Relationship with the Struck Off Company	Balance Outstanding as at 31st March 2023	Relationship with the Struck Off Company
JSW ENERGY (RATNAGIRI) LTD. *	Receivable	1,067.80	Customer	5.16	Customer
LOKMANGAL AGRO INDUSTRIES LTD.	Receivable	0.21	Customer	0.21	Customer
TOPWORTH URJA & METALS LTD.	Receivable	1.67	Customer	1.67	Customer
Wind World India Ltd.	Receivable	21.54	Customer	21.54	Customer
VATSALA WIND FARMS *	Receivable	-	Customer	0.07	Customer
JSW Power Trading Company Ltd. *	Receivable	0.43	Customer	0.92	Customer
Vidarbha Industries Power Ltd.	Receivable	2.38	Customer	2.38	Customer
The Tata Steel BSL Ltd *	Receivable	0.45	Customer	0.23	Customer
Asian Colour Coated Ispat Ltd. *	Receivable	-	Customer	0.68	Customer
ADANI POWER MAHARASHTRA LTD. *	Payable	(31.42)	Vendor	(31.42)	Vendor
ADITYA BIRLA INSULATORS *	Payable	(62.35)	Vendor	(62.35)	Vendor
ADITYA VIDYUT APPLIANCES LTD	Payable	0.90	Vendor	0.90	Vendor
ALSTOM T&D INDIA LIMITED (AREVA) *	Payable	66.64	Vendor	66.64	Vendor
BENNETT COLEMAN & CO. LTD.	Payable	-	Vendor	0.36	Vendor
D M ENTERPRISES	Payable	0.02	Vendor	6.12	Vendor
DIAMOND CARRIERS	Payable	3.98	Vendor	3.67	Vendor
EASUN REYROLLE LTD	Payable	7.81	Vendor	84.45	Vendor
HINDUSTHAN VIDYUT PRODUCTS LIMITED	Payable	10.82	Vendor	10.82	Vendor
KEDAR INFRASTRUCTURE DEVELOPERS	Payable	12.11	Vendor	16.86	Vendor
LUSTRE ENGINEERING CORPORATION	Payable	4.39	Vendor	11.29	Vendor
S. P. POWER ENTERPRISES	Payable	27.71	Vendor	18.35	Vendor
SCT LIMITED *	Payable	(0.09)	Vendor	(0.09)	Vendor
SIVANANDA ELECTRONICS	Payable	(0.01)	Vendor	(0.01)	Vendor
TIRUPATI ENGINEERS	Payable	22.99	Vendor	17.62	Vendor
UNITED INDUSTRIES	Payable	56.63	Vendor	56.63	Vendor
UNIVERSAL INDUSTRIAL CORPORATION	Payable	-	Vendor	0.90	Vendor
VICTRANS ENGINEERS	Payable	16.75	Vendor	16.75	Vendor
VIMAL CONSTRUCTION	Payable	(0.17)	Vendor	(0.17)	Vendor
VODAFONE CELLULAR LIMITED *	Payable	0.01	Vendor	0.01	Vendor
VODAFONE INDIA LIMITED *	Payable	0.02	Vendor	0.02	Vendor
Shree Renuka Energy Ltd.	Receivable	0.15	Customer	0.15	Customer
G R POWER SWITCH GEAR PVT. LTD.	Payable	2.62	Vendor	(100.00)	Vendor

*Includes Companies which are "Amalgamated" / "Not available for efiling" as per MCA master data

Note 57: Ratio Analysis

Particulars	Formulas	As at 31.03.2024			As at 31.03.2023			% of Variance	Reasons for variance in ratio (> 25%) as compare to previous year
		Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Ratio	Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Ratio		
(a) Current Ratio (in times)	= Current Asset / Current Liabilities	6,78,465.29	2,02,605.82	3.35	5,17,390.65	1,80,426.89	2.87	16.78	
(b) Debt-Equity Ratio (in times)	= (Short term Debt + Long term Debt + Other Fixed Payments)/ Shareholders Equity	4,03,536.40	15,92,644.31	0.25	4,83,651.77	14,26,037.85	0.34	-25.29	loans have been repaid/restructured due to availability of funds
(c) Debt Service Coverage Ratio (in times)	= EBITDA / (Interest + Principal Repayments + Lease Liability Payments during the period)	3,41,198.49	1,21,840.52	2.80	2,76,003.63	65,644.26	4.20	-33.40	Increase in EBITA due to increase in Revenue from Operations as per MERC Order
(d) Return on Equity Ratio (ROE) (%)	= (Net Profit after Tax - Preference Dividend , if any) / Shareholders Equity	1,77,646.02	15,92,644.31	11%	1,03,668.17	14,26,037.85	7%	53.43	Increase in Revenue from Operations as per MERC Order
(e) Inventory turnover ratio (in number of days)	= Net Sales / Avg Inventory	6,55,542.37	41,889.25	16	4,89,563.46	32,756.71	15	4.71	Increase in Revenue from Operations as per MERC Order
(f) Trade Receivables turnover ratio (in number of days)	= Revenue from Operations / Average Accounts Receivables	6,55,542.37	3,31,747.12	2	4,89,563.46	3,47,980.67	1	40	
(g) Trade payables turnover ratio (in number of days)	=Total O&M Expenses / Average Trade Payables	1,05,982.80	28,454.08	4	1,03,810.71	24,789.14	4	-11.06	
(h) Net capital turnover ratio (in times)	= Revenue from Operations/ Average of Current Assets - Current Liabilities	6,55,542.37	4,75,859.47	1.38	4,89,563.46	3,36,963.76	1.45	-5.18	
(I) Net profit ratio (%)	=Net Proft / Revenue from Operations X 100	1,66,839.34	6,55,542.37	25%	1,02,816.65	4,89,563.46	21%	21.18	
(j) Return on Capital employed (ROCE) (%)	= (Profit before tax + interest expenses) / Capital Employeed	3,08,437.01	22,32,833.31	14%	1,94,541.40	21,54,737.76	9%	53.00	Increase in Revenue from Operations as per MERC Order
(k) Return on investment.(ROI)(%)	= (Interest Income + Dividend Income) / Average of (Investment + Fixed Deposits + Loans given)	22,912.90	3,08,375.71	7.43%	10,692.88	1,52,639.64	7.01%	6.07	

INDEPENDENT AUDITOR'S REPORT
To the Members of Maharashtra State Electricity Transmission Company Limited
Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Maharashtra State Electricity Transmission Company Limited (hereinafter referred to as the "Holding Company") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of associates, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the the Holding Company and its associates as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

3

(a) Other Income includes supervision fees amounting to Rs.12,380.92 Lakhs. The Holding Company recognises supervision fees on upfront basis instead of recognising the same over the period of the Outright Contracts, which is not in accordance with the provisions of Ind AS 115 "Revenue from Contracts with Customers". Accordingly, other income, Profit before tax and Retained Earnings are overstated and other liabilities are understated to such extent.

(b) Other Income includes income from the sale of scrap asset and sale of scrap inventory aggregating to Rs.1,352.66 Lakhs. The entire selling price of the scrap asset / scrap inventory is credited to the respective accounts instead of recognising the profit/loss on such sale, which is not in accordance with the provisions of Ind AS 16 "Property, Plant and Equipment" and Ind AS 2 "Inventories".

(c) Current Liability include Goods Receipt/ Invoice Receipt balances amounting to Rs.9,136.83 Lakhs, which are outstanding for a considerable period of time, even beyond 3 years as on March 31, 2024, due to delay in the processing of invoices. As these are temporary balances, accordingly, we are unable to comment on the completeness and accuracy of the trade payables/ liabilities.

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

    In view of the above, we are unable to comment on the consequential impact on the depreciation expense and net carrying value of the PPE.

(e) PPE amounts to Rs. 25,76,825.01 Lakhs (Gross block) as on March 31, 2024. The Holding Company has not carried out the physical verification of the PPE during the year or in previous years and PPE Register does not provide all requisite details, due to which we are unable to comment on the existence of the PPE.

    Further, depreciation on PPE is to be calculated by Holding Company in accordance with MERC Regulations, which stipulates stage-wise calculation. The accounting system of the Company does not provide detailed report to identify the stage of PPE, due to which we are unable to recompute depreciation. Accordingly, we are unable to comment on completeness and accuracy of depreciation amounting to Rs. 1,28,986.73 Lakhs and net carrying value of PPE.

(f) Title deeds and Documents are not available with the Holding Company with respect to all Freehold Land included in PPE. Further, certain Leasehold Land are classified under freehold Land and vice versa. Accordingly, classification of Land into Freehold and Leasehold may not be appropriate, thereby impacting the calculation of Right of Use Assets and depreciation thereof. Consequentially, accounting treatment is not in accordance with Ind AS 116 " Leases" in relation to the aforesaid. The impact, if any, of the same on the Consolidated Financial Statements is currently not ascertainable.

(g) The Holding Company is having transmission network level ranging from 66 KV to 765 KV. As informed to us, it was decided to abolish/eliminate 66 KV from the transmission network of the Holding Company and most of the abolished and decommissioned sub-stations and lines at 66 KV level were handed over to MSEDCL. Further, remaining sub-stations and lines were to be handed over to MSEDCL or would be utilized by MSETCL for up-gradation work, if any.

We were further informed that the Holding Company is in discussion with technical team to conclude on modalities of de-recognition, disposal and for determining consideration for such transfer of Assets in accordance with Ind AS-16 " Property, Plant and Equipment".

However, during the course of audit, no further action/ documentation in this regard was provided to us. Accordingly, gross block of PPE, accumulated depreciation and net carrying cost are overstated to the extent of Rs. 13,975.23 Lakhs, Rs.10,770.30 Lakhs and Rs.3,204.93 Lakhs, respectively. Further, the Holding Company has not recognised amount receivable from MSEDCL amounting to Rs.2,473.00 Lakhs and also not recognised differential amount on account of loss on transfer of PPE amounting to Rs.731.93 Lakhs.

(h) Details in relation to "Assets not in use – held for sale" having net carrying value of Rs.5,009.87 Lakhs as on March 31, 2024, were not made available to us. Further, such assets are carried at their carrying value instead of "lower of carrying value or net realizable value". This is not in accordance with the requirements of Ind AS 105 - "Non-current Assets Held for Sale and Discontinued Operations". The impact, if any, of the same on the Consolidated Financial Statements and related disclosures is currently not ascertainable.

(i) Deposits on account of completed outright contracts are set off against Capital Work in Progress ("CWIP") giving rise to negative capital expenditure balances for which reconciliation is not made available. Accordingly, Assets under Construction ("AUC")/CWIP in the Balance Sheet is understated to such extent. Further, there is no movement in some AUC line items since last more than three years. However, impairment assessment has not been performed by the Management of the Holding Company with respect to the same in accordance with the requirements of Ind AS 36 - "Impairment of Assets". Accordingly, we are unable to comment on the consequential impact of the same on the Consolidated Financial Statements.

(j) The Holding Company accepts outright contribution contracts against which it receives deposits from the relevant parties. Such deposits are not evaluated on annual basis and are not set off against the relevant balances outstanding under capital work in progress on evaluation / completion of the project. The balance outstanding against ORC deposit as on March 31, 2024 amount to Rs.1,499.51 Lakhs. In certain cases, net amount is grouped under Other Miscellaneous Receipts (NON- GST) instead of other income. Accordingly, we are unable to comment on the completeness and accuracy of the said balances.

(k) The Holding Company had made a decision to dismantle certain tower foundations and towers constructed which are currently lying in CWIP amounting to Rs. 2,517 Lakhs. However, the Holding Company has not taken any action to write off or impair the said amount and has not provided for dismantling expenses which is not in accordance with Ind AS 16 " Property, Plant and Equipment".

(l) The Holding Company does not maintain details pertaining to the net realizable value (NRV) of its inventory. The inventories are valued at cost instead of being stated at lower of cost and NRV, which deviates from the accounting policy mentioned in Note No. 2.14 and the provisions of Ind AS 2 "Inventories". The impact, if any, of such deviation on the Consolidated Financial Statements is currently not ascertainable.

(m) Certain assets like transformers and sub-station parts are sent for repair by zonal offices to vendors. In few zones, we observed that the records pertaining to such dispatch and its return including qualitative aspects of such repairs are not adequately maintained. Further, these assets are classified under "Assets not in Use - Held for Sale" which is not in accordance with Ind AS 16 " PPE ". In the absence of such details, we are unable to comment on the impact, if any, thereof on the Consolidated Financial Statements.

(n) The trade receivables as on March 31, 2024 amounts to Rs.2,86,730.70 Lakhs. We are unable to comment on the accuracy of trade receivables balance on account of the following:

i The party-wise breakdown and ageing of trade receivables generated from the system are inaccurate, accordingly, we are unable to comment upon the accuracy of the amounts disclosed in Note 33 concerning the aging of trade receivables in the Consolidated Financial Statements.

ii The Holding Company does not make provisions for Expected Credit Loss ("ECL") on long outstanding balances, which is inconsistent with the requirements of Ind AS 109 "Financial Instruments".

iii Additionally, one of the parties is under Insolvency Resolution Process, wherein the Holding Company has not provided for the credit loss on the outstanding receivables amounting to Rs. 10,282.90 Lakhs.

iv We were unable to obtain independent confirmations and unable to perform alternative procedures on the balances of trade receivables. Accordingly, we are unable to comment on their accuracy and valuation, as these balances may be subject to consequent reconciliation.

(o) Statutory dues like TDS, Provident Fund and Profession Tax amounting to Rs.2,920.60 Lakhs contains old liabilities which is subject to reconciliation. We are unable to comment upon the adjustments / settlements arising from such reconciliation.

(p) The short-term provisions include both provisions for expenses and provisions for tree/crop compensation, aggregating to Rs.5,309.55 Lakhs. However, detailed listing and the underlying basis for these provisions are not available. Consequently, we are unable to comment on the completeness and accuracy of the said provisions. The potential impact, if any, on the Consolidated Financial Statements is currently not ascertainable.

(q) Long term provisions consists of provision for capital works amounting to Rs.12,573.57 Lakhs for which detailed listing and basis of provision are not available. Accordingly, we are unable to comment on completeness and accuracy of the said provisions. The potential impact of the adjustments arising from review of the basis of these provisions, if any, on the Consolidated Financial Statements is currently not ascertainable.

(r) The Holding Company has collected security deposits amounting to Rs.3,991.25 Lakhs, which have remained outstanding for a period exceeding three years which is neither refunded to the respective parties nor transferred to other income in accordance with the Holding Company's policy. Further the classification of the total balances outstanding against security deposit into current and non- current is not appropriate. Given that certain amounts have been outstanding for more than 365 days, the Company is not in compliance with the provisions of sections 73 to 76 of the Act.

(s) Liquidated damages deducted and EMD received by the Holding Company amounting to Rs.3,440.85 Lakhs and Rs. 211.71 Lakhs respectively are outstanding for more than 3 years which are neither refunded to the respective parties nor transferred to other income (in accordance with the Holding Company's policy). Further, the classification of the total balances outstanding against liquidated damages and EMD into current and non-current is not appropriate. Impact, if any, of the adjustment arising on account of not following the Holding Company’s policy, on the Consolidated Financial Statements is currently not ascertainable.

(t) The Holding Company has encountered differences resulting from price escalation due to the disengagement of vendor during the contract's tenure, and these differences are not appropriately identifiable. These adjustments are currently reflected in the "Risk and Cost Adjustment" ledger, with corresponding outstanding amounts in "Retention Money Receivable" ledger. However, detailed party-wise information and ageing of data related to these accounts are not available. Further the classification of the total balances outstanding against retention money into current and non- current is not appropriate. As a result, we are unable to comment on the existence and accuracy of these balances.

(u) The Holding Company has received Government Grants earmarked for capital assets related to specific projects, with an outstanding balance as of March 31, 2024, amounting Rs.27,726.94 Lakhs. These grants are deferred for recognition as revenue. However, detailed information regarding these grants, including asset specifications and the associated conditions that need to be fulfilled are not available. Consequently, we are unable to comment on the completeness and accuracy of these deferred amounts i.e., whether such deferment is in accordance with the stipulated schemes or the conditions, nor can we ascertain whether the accounting treatment is in accordance with the provisions of Ind AS 20 “Accounting for Government Grants and Disclosure of Government Assistance”. The potential impact, if any, on the Consolidated Financial Statements is currently not ascertainable.

(v) Contingent Liability as stated in Note no. 42 amount to Rs. 5,87,626.36. Lakhs. Further, an amount of Rs. 662.24 Lakhs under current liability and Rs. 11,942.07 Lakhs under Other Current Financial Assets is on account of certain compensation/ payments against the said cases. In the absence of detailed listing of cases, respective amounts, and status thereon, we are unable to comment on the completeness and accuracy of contingent Liability.

(w) We have not received certain details w.r.t the following balances:

Particulars	Amount (In Lakhs)	Remarks
Liability towards staff welfare Fund with Board	601.44	Listing and details not available. Impacts accuracy and completeness.
Sundry Creditors Payable Domestic (others)	2,357.13	Unexplained debit balance under Trade payables. Impacts accuracy.
Board of Trustees P.F. & Final Settlement	2,268.93	Listing and details not available. Impacts accuracy and completeness.
Advances to Contractors /Suppliers - O&M	3,520.26	Unexplained credit balance under Advances. Impacts accuracy.
Capital Advance for Projects	1,106.76	Listing and details not available. Impacts completeness, accuracy and valuation.

(x) We have not received sufficient and appropriate audit evidence with regard to employee related payables amounting to Rs. 4,066.62 lakhs included in other current financial liability. Consequently, we are unable to comment on the existence, completeness and accuracy of these balances. The potential impact, if any, on the Consolidated Financial Statements is currently not ascertainable.

(y) The Company has calculated Deferred Tax Asset/ Liability on the basis of books of account. We are unable to comment on the said amount as calculated which may undergo change due to consequential impact of the aforesaid qualification in the Basis for Qualification para from point 3 (a) to 3(x).

4. These matter from Para 3(a) to 3(w) and 3(y) were also qualified in our report on the consolidated Ind AS financial statements for the year ended March 31, 2023.

5. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.
7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in the Director's Report have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Holding Company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Holding Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and of its associates for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Holding Company and of its associates are responsible for assessing the ability of the Holding Company and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors / Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Holding Company and of its associates are responsible for overseeing the financial reporting process of each company.

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

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

Other Matters

14. The consolidated financial statements includes the Holding share of net profit/loss (including total other comprehensive income) of Rs. 976.55 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.
15. Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

16. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the associates referred to in the Other Matters section above we report, to the extent applicable, that:

a. We have sought and except for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. Except for the effects of the matter described in Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e. In view of exemption given vide notification no. 463(E) dated 5 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government company within the meaning of section 2(45) of the Act, provisions of section 164(2) of the Act pertaining to disqualification of Directors, are not applicable to the Holding Company. On the basis of the reports of the other auditors of associate companies incorporated in India, none of the directors of its associate companies incorporated in India are disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company and its associate companies the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. In our opinion, proper books of accounts as required by law have been kept by the Holding Company so far as it appears from our examination of those books except for the matters stated in the paragraph (h) (vi) below on reporting under rule 11(g). The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g).

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. Except as noted in para 3 (v) above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associates- Refer Note 42 to the consolidated financial statements.

   ii. The Holding Company and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its associate companies.

iv.

1. The respective Managements of the Holding Company and its associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such associates to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The respective Managements of the Holding Company and its associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such associates from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances

performed by us and that performed by the auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Holding Company has neither declared nor paid any dividend during the year the final dividend paid by associate companies during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

vi. Based on our examination and on the consideration of report of other auditors on separate financial statements of associates, incorporated in India, the Holding Company has used an accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with except in case of its two associates incorporated in India, the audit trail feature was not enabled in the software application at database level.

17. In view of exemption given vide notification no.463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of section 2(45) of the Act, provisions of section 197 of the Act pertaining to managerial remuneration, are not applicable to the Holding Company. Based on the reports of the other auditors of associate companies incorporated in India which were not audited by us, the said section is not applicable to one associate company. Further, in case of one associate company, it has not paid any remuneration to its directors.

18. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of associates included in the consolidated financial statements of the Holding Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 24101739BKEZUR8065

Place : Mumbai
Date: September 27, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

  We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 24101739BKEZUR8065

Place : Mumbai
Date: September 27, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Referred to in paragraph 16(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Maharashtra State Electricity Transmission Company Limited on the consolidated Financial Statements for the year ended March 31, 2024]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Maharashtra State Electricity Transmission Company Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company and its associate companies, which are companies incorporated in India, as of that date.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion section below on the achievement of the objectives of the control criteria, the Holding company and its associate companies, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as of March 31, 2024, and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company for the year ended March 31, 2024, and we have issued a qualified opinion on the said consolidated financial statements of the Holding Company.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2024:

a) The Holding Company did not have an appropriate formal documentation and the risk control matrix with respect to Revenue to Receivables, Other Expense, Other Income and Financial Reporting Closure Process.

b) The Holding Company did not have documented policies and procedures pertaining to materials/equipment given to vendors or third parties on loan basis.

c) The Holding Company did not have documented policies and procedures pertaining to write back of and write off of old outstanding balances

d) The Holding Company did not have documented policies and procedures pertaining to the tendering process.

e) The Holding Company did not have documented policies and procedures with respect to documentation of deviation for tendering process pertaining to repairs and maintenance.

f) The Holding Company did not have appropriate controls to track and capitalize Property, Plant and Equipment on timely basis.

In addition to above, we also refer to 'Basis for Qualified Opinion' section of our audit report dated September 27, 2024 and the consequential impact it may have on Holding Company's processes and internal controls, and to that extent, we are unable to comment on whether there is any material weakness in the Holding Company's internal controls as at March 31, 2024.

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

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its associate companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN : 24101739BKEZUR8065

Place : Mumbai
Date: September 27, 2024

Consolidated Financial Statements

Maharashtra State Electricity Transmission Company Limited
CIN: U40109MH2005SGC153646
Consolidated Balance Sheet as at 31st March 2024

(Rs. in lakhs)

Sr. No.	Particulars	Note No	As at 31st March 2024	As at 31st March 2023
I	**ASSETS**			
(1)	**Non-Current Assets**			
	Property, Plant and Equipment	4.1	15,52,340.99	15,70,322.95
	Capital Work-in-Progress	4.2	3,84,913.54	3,78,377.14
	Right of Use Assets	4.3	15,294.43	8,932.58
	Other Intangible Assets	4.4	5.14	61.98
	Investments accounted for using the equity method	5	10,022.20	9,467.29
	Financial Assets			
	(i) Investment	6	1,44,547.66	1,26,680.86
	(ii) Loans	7	136.93	137.35
	Non Current Tax Assets (Net)	8	78,229.08	77,856.55
	Other Non-Current Assets	9	9,186.47	9,119.07
	Total Non-Current Assets		**21,94,676.44**	**21,80,955.77**
(2)	**Current Assets**			
	Inventories	10	46,381.87	37,396.62
	Financial Assets			
	(i) Investments	11.1	12,219.10	2,739.24
	(ii) Trade Receivables	11.2	2,86,730.70	3,76,763.54
	(iii) Cash and Cash Equivalents	11.3	20,856.32	62,973.30
	(iv) Bank balances other than cash and cash equivalents	11.4	2,89,031.09	23,861.78
	(v) Loans	11.5	313.05	265.34
	(vi) Other Current Financial Assets	11.6	22,178.36	12,741.43
	Other Current Assets	12	754.80	649.39
	Total Current Assets		**6,78,465.29**	**5,17,390.64**
	Assets Classified as Held for Sale	13	5,009.92	5,119.09
	TOTAL ASSETS		**28,78,151.65**	**27,03,465.51**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity Share capital	14	8,98,497.47	8,98,497.47
	Other Equity	15	6,98,833.12	5,31,671.80
	Total Equity		**15,97,330.59**	**14,30,169.27**
(2)	**Liabilities**			
	Non-Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	16.1	3,17,978.72	3,96,297.24
	(ii) Lease Liabilities	31	5,689.18	41.24
	(iii) Other Non-Current Financial Liabilities	16.2	1,33,821.61	1,40,118.70
	Provisions	17	1,53,945.32	1,14,377.57
	Deferred Tax Liabilities (Net)	18	2,36,657.74	2,45,110.12
	Non Current Tax Liabilities (Net)	19	42,408.02	42,408.02
	Other Non-Current Liabilities	20	1,87,714.65	1,54,516.50
	Total Non-Current Liabilities		**10,78,215.24**	**10,92,869.39**
	Current Liabilities			
	Financial Liabilities			
	(i) Borrowings	21.1	85,557.68	87,354.53
	(ii) Lease Liabilities	31	1,438.36	35.90
	(iii) Trade Payables	21.2		-
	total outstanding dues of micro enterprises and small enterprises		2,559.35	430.13
	total outstanding dues of creditors other than micro enterprises and small enterprises		29,815.65	24,103.03
	(iv) Other Current Financial Liabilities	21.3	11,926.25	12,662.59
	Provisions	22	53,122.18	29,913.98
	Other Current Liabilities	23	18,186.35	25,927.74
	Total Current Liabilities		**2,02,605.82**	**1,80,426.90**
	Total Liabilities		**12,80,821.06**	**12,73,296.29**
	TOTAL EQUITY AND LIABILITIES		**28,78,151.65**	**27,03,465.51**
	Significant Accounting Policies	1 to 3		

The accompanying notes from 1 to 57 are an integral part of these Consolidated Financial Statements

As per our attached report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number - 105047W
Sd/-
Amrish Vaidya
Partner
ICAI Membership No. 101739
Place : Mumbai
Date: September 27, 2024

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anju Gupta
Chief General Manager (F&A)

Sd/-
Trupti Mudholkar
Director (Finance)
(DIN. 09033240)

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director
(DIN. 08352295)

Sd/-
Vineeta Shriwani
Company Secretary
(Membership No. A21814)

Maharashtra State Electricity Transmission Company Limited
CIN: U40109MH2005SGC153646
Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

(Rs. in lakhs)

	Particulars	Note No	Year ended 31st March 2024	Year ended 31st March 2023
	Revenue			
I	Revenue from Operations	24	6,55,542.37	4,89,563.46
II	Other Income	25	63,631.97	78,490.13
III	**Total Income (I + II)**		**7,19,174.34**	**5,68,053.59**
IV	**Expenses**			
	Repairs & Maintenance Expenses	26	55,582.80	55,075.35
	Employee Benefits Expense	27	1,77,130.53	1,35,092.79
	Finance Costs	28	35,034.57	38,695.62
	Depreciation and Amortization Expense	29	1,28,986.73	1,34,190.30
	Other Expenses	30	50,400.00	48,735.36
	Total Expenses (IV)		**4,47,134.63**	**4,11,789.42**
V	**Profit before share of net profits of investments accounted for using equity method and tax (III- IV)**		**2,72,039.71**	**1,56,264.17**
VI	Add: Share of net profits of Associate/Joint Venture accounted for using equity method.		3,089.07	3,246.12
VII	**Profit Before Tax (V + VI)**		**2,75,128.78**	**1,59,510.29**
VIII	**Tax Expense:**			
	(1) Current tax		(98,872.97)	(53,834.73)
	(2) Current Tax of Associates accounted for using equity method		(328.65)	(320.87)
	(3) Deferred tax		2,274.08	1,106.66
	Total income tax expense (VIII)		**(96,927.54)**	**(53,048.94)**
IX	**Profit After Tax for the Year (VII - VIII)**		**1,78,201.24**	**1,06,461.35**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(16,611.35)	(1,308.90)
	Share of Associates/Joint Venture accounted in OCI for using equity method		(0.37)	0.27
	(ii) Income tax relating to items that will not be reclassified to profit or loss		5,804.67	457.38
	Share of Associates/Joint Venture accounted in OCI for using equity method		0.07	(0.05)
	Total Other Comprehensive Income for the year, net of income tax (X)		**(10,806.99)**	**(851.30)**
XI	**Total Comprehensive Income for the Year (IX+ X)**		**1,67,394.25**	**1,05,610.04**
	Basic and Diluted Earnings per Share (in Rs.) (Face Value Rs 10/-)	35	1.86	1.18
	Significant Accounting Policies	1 to 3		

The accompanying notes from 1 to 57 are an integral part of these Consolidated Financial Statements
As per our attached report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number - 105047W

Sd/-
Amrish Vaidya
Partner
ICAI Membership No. 101739

Place : Mumbai
Date: September 27, 2024

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anju Gupta
Chief General Manager (F&A)

Sd/-
Trupti Mudholkar
Director (Finance)
(DIN. 09033240)

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director
(DIN. 08352295)

Sd/-
Vineeta Shriwani
Company Secretary
(Membership No. A21814)

Maharashtra State Electricity Transmission Company Limited
CIN: U40109MH2005SGC153646
Consolidated Statement of Cash Flows for the year ended 31st March, 2024

(Rs. in lakhs)

	Particulars	For Year Ended 31st March 2024	For Year Ended 31st March 2023
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**2,75,128.78**	**1,59,510.28**
	Adjustment for :		
	Depreciation and Amortisation	1,28,986.73	1,34,190.30
	Amortisation of government grants	(2,007.80)	-
	Gain on disposal of property, plant and equipment	(1,058.23)	(1,603.75)
	Gain on sale of investments	-	-
	Proceeds from sale of scrap Assets	49.59	(2.66)
	Dividends received	(1,831.56)	(132.07)
	Interest received	(22,912.90)	(10,692.88)
	Finance costs	41,793.17	45,135.85
	Current Tax Assets (Net)	-	-
	Loss due to Foreign Exchange Rate Variation	(68.02)	547.20
	Sundry Balances W/Off	-	379.97
	Operating Profit Before Working Capital Changes		
	Movements in Working Capital	**4,18,079.76**	**3,27,332.24**
	(Increase) in Inventory	(8,985.25)	(9,279.83)
	(Increase) / Decrease in Investments	-	-
	(Increase) in Trade Receivable	90,032.84	(57,945.71)
	(Increase)/Decrease in Short Term Loan and Advance	(47.70)	(14.46)
	(Increase) in Other Current Assets	(2,74,711.65)	(4,445.95)
	(Increase)/Decrease in Long Term Loans & Advances	-	-
	Increase in Long Term Provisions	39,567.75	11,000.45
	Increase/(Decrease) in Provisions	23,209.20	2,514.73
	(Increase)/Decrease in Other Non-Current Assets	(67.40)	(153.22)
	Increase/(Decrease) in Other non current financial liabilities	(6,297.09)	16,844.73
	(Decrease) in Trade Payables	7,841.84	(511.95)
	(Decrease) in Other Current Liabilities	67,744.34	(16,196.69)
	Increase/(Decrease) in Other Long Term Liabilities	-	-
	Cash generated from operations	**3,56,366.64**	**2,69,144.34**
	Taxes Paid	(85,047.00)	(47,576.61)
	NET CASH FROM OPERATING ACTIVITIES	**2,71,319.64**	**2,21,567.73**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipments including Capital Work in Progress and Capital Advance (Net of Sale Proceeds)	(1,22,728.35)	(1,49,515.42)
	Amortisation of government grants	2,007.80	-
	Gain on sale of investments	-	-
	Receipts of government grants	33,198.15	(1,772.28)
	Long term loans and advances	0.42	(12.86)
	Other non-current assets	-	-
	Receipts of ORC Deposits	-	1,843.00
	Investment in Associates/Joint Ventures	(554.91)	(2,793.40)
	Proceeds from disposal of investment in subsidiary	-	-
	(Purchase)/Sale in Investment	(27,346.66)	(18,160.55)
	Interest Received	-	-
	Dividends received	1,831.56	132.07
	Interest received	22,912.90	10,692.88
	NET CASH USED IN INVESTING ACTIVITIES	**(90,679.09)**	**(1,59,586.56)**

(Rs. in lakhs)

Particulars	For Year Ended 31st March 2024	For Year Ended 31st March 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	-	-
Other Equity	(1,07,967.41)	-
Share application money received	-	-
Proceeds/(Repayment) from Borrowings	(80,047.35)	(18,607.00)
Repayment of Short Term Borrowings	-	-
Proceeds/(Repayment) from Long Term Borrowings	-	-
Payment of Lease Liabilities	7,050.40	(1,901.41)
Repayment of Long Term Borrowings	-	-
Interest paid / Finance costs	(41,793.17)	(45,135.85)
Loan Processing Charges Paid	-	-
NET CASH USED IN FINANCING ACTIVITIES	**(2,22,757.53)**	**(65,644.26)**
Net (Decrease) in Cash & Cash Equivalents (A+B+C)	**(42,116.98)**	**(3,663.09)**
Opening Balance of Cash & Cash Equivalents	62,973.30	66,636.38
Closing Balance of Cash & Cash Equivalents	**20,856.32**	**62,973.30**

Components of Cash & Cash Equivalents at	For Year Ended 31st March 2024	For Year Ended 31st March 2023
Balances with Banks		
In Current Accounts	3,850.74	7,706.93
In Fixed Deposit Accounts (with original maturity of less than 3 months)	8,441.12	33,987.70
Cash and Stamps on Hand	11.63	12.57
In Designated Current Account operated and maintained in terms of MERC Regulation	8,552.83	21,266.10
Cash & Cash Equivalents at the end of the year	**20,856.32**	**62,973.30**

The Statement of Cash Flows has been prepared under the “Indirect method” as set out in Indian Accounting Standard 7-Statement of Cash Flows.

As per our attached report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number - 105047W

Sd/-
Amrish Vaidya
Partner
ICAI Membership No. 101739

Place : Mumbai
Date: September 27, 2024

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anju Gupta
Chief General Manager (F&A)

Sd/-
Trupti Mudholkar
Director (Finance)
(DIN. 09033240)

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director
(DIN. 08352295)

Sd/-
Vineeta Shriwani
Company Secretary
(Membership No. A21814)

Maharashtra State Electricity Transmission Company Limited
CIN: U40109MH2005SGC153646
Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

A. Equity Share Capital

For the year ended 31st March, 2024 **(Rs. in lakhs)**

Balance as at 1st April, 2023	Changes during the Year	Balance as at 31st March, 2024
8,98,497.47	-	8,98,497.47

For the year ended 31st March, 2023 **(Rs. in lakhs)**

Balance as at 1st April, 2022	Changes during the Year	Balance as at 31st March, 2023
8,98,497.47	-	8,98,497.47

B. Other Equity

For the year ended 31st March, 2024 **(Rs. in lakhs)**

Particulars	Reserves & Surplus				Total Equity
	Contingency Reserve Fund	Special Reserve Fund	Load Despatch Center Empowerment Reserve (LDCD) Fund	Retained Earnings	
Balance as at 1st April, 2023	**85,301.00**	**13,939.00**	**3,754.08**	**4,28,677.72**	**5,31,671.79**
Profit for the year				1,75,440.82	1,75,440.82
Other comprehensive income				(10,806.68)	(10,806.68)
Total Comprehensive Income	-	-	-	**1,64,634.14**	**1,64,634.14**
Transfers to Retained Earnings	-	-	2,467.00	(2,467.00)	-
Transfers from Retained Earnings	7,707.00	-	-	(7,707.00)	-
Utilisation for Capex (allowed by MERC)	-	-	(232.88)	-	(232.88)
Total Comprehensive Income for the year of Associates accounted for using the equity method	-	-	-	2,760.14	2,760.14
Balance as at 31st March, 2024	**93,008.00**	**13,939.00**	**5,988.20**	**5,85,897.93**	**6,98,833.13**

For the year ended 31st March, 2023 **(Rs. in lakhs)**

Particulars	Reserves & Surplus				Total Equity
	Contingency Reserve Fund	Special Reserve Fund	Load Despatch Center Empowerment Reserve (LDCD) Fund	Retained Earnings	
Balance as at 1st April, 2022	**77,978.00**	**13,939.00**	**4,283.76**	**3,30,389.79**	**4,26,590.54**
Profit for the year				1,03,536.10	1,03,536.10
Other comprehensive income				(851.52)	(851.52)
Total Comprehensive Income	-	-	-	**1,02,684.58**	**1,02,684.58**
Transfers to Retained Earnings				0.89	0.89
Transfers from Retained Earnings	7,323.00	-	-	(7,323.00)	-
Utilisation for Capex (allowed by MERC)	-	-	(529.68)	-	(529.68)
Total Comprehensive Income for the year of Associates accounted for using the equity method	-	-	-	2,925.46	2,925.46
Balance as at 31st March, 2023	**85,301.00**	**13,939.00**	**3,754.08**	**4,28,677.72**	**5,31,671.80**

The accompanying notes from 1 to 57 are an integral part of these Consolidated Financial Statements

As per our attached report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration Number - 105047W

Sd/-
Amrish Vaidya
Partner
ICAI Membership No. 101739

Place : Mumbai
Date: September 27, 2024

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Anju Gupta
Chief General Manager (F&A)

Sd/-
Trupti Mudholkar
Director (Finance)
(DIN. 09033240)

Sd/-
Dr. Sanjeev Kumar
Chairman & Managing Director
(DIN. 08352295)

Sd/-
Vineeta Shriwani
Company Secretary
(Membership No. A21814)

Notes to Consolidated Financial Statements for the year ended 31st March ,2024

1 Corporate and General Information

The Consolidated Financial statements comprise Financial statements of the Maharashtra State Electricity Transmission Company Limited (MSETCL/the Company) and its Associates (i.e. Jaigad Power Transmission Ltd (JPTL) and Maharashtra Transmission Communication Infrastructure Limited (MTCIL)) for the year ended 31st March, 2024. MSETCL was incorporated under the Companies Act, 1956 on 31st May, 2005. The Certificate of Commencement of Business was received on 15th September, 2005 from the Registrar of Companies. The Company was incorporated as per provisions of the notification of Maharashtra State Electricity Reforms Transfer Scheme, 2005 (hereinafter referred to as the Transfer Scheme) which was issued on 4th June, 2005. As per the aforesaid notification, assets and liabilities forming part of the Transmission Undertaking of erstwhile Maharashtra State Electricity Board as set out in `Schedule A' of the said Notification were transferred and vested to the company with effect from 6th June, 2005. The Transfer Scheme was approved by Government of Maharashtra (GoM) on 31.03.2016. The transfer of Assets and Liabilities under the above Transfer Scheme was made by the GoM. As decided the consideration for the transfer of undertaking being excess of assets over liabilities is discharged by issue of Equity Shares of Rs. 898497.47 Lakhs to MSEB Holding Company Limited(the Holding Company).

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

The Company is notified as the State Transmission Utility (STU) under The Electricity Act, 2003. Its registered office of business is located at Prakashganga, C-19, E Block, Bandra Kurla Complex, Mumbai andis principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS). While the Associates Jaigad Power Transmission Ltd (JPTL) is engaged in the business of Transmission of Electricity and Maharashtra Transmission Communication Infrastructure Limited (MTCIL) is engaged in the business of making available optical fibre capacity on lease.

2 Statement of significant Accounting Policies

2.1 Statement of Compliance

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013, and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereafter. Accounting policies have been consistently applied to all the years presented unless otherwise stated.

2.2 Basis of preparation and presentation

The Company has prepared Consolidated Financial Statements considering its holding in Associates namely:

Name of the Entity	Relationship	% of Holding
1) Jaigad Power Transco Limited	Associate	26
2) Maharashtra Transmission Communication Infrastructure Limited	Associate	49

The Consolidated Financial Statements incorporate the standalone financial statements of the Company and its investments in associates are accounted using equity method.

The financial statements of associates are drawn up to the same reporting date as of the Group for purpose of Consolidation. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

The Associates have been consolidated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment.

After application of the equity method of accounting, the Group determines whether there is any evidence of impairment as a result of one or more event that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an evidence of impairment, then the Group recognises impairment loss equal to the excess of its carrying amount over the recoverable amount of the respective asset. Recoverable amount is the fair value less cost to sell of the respective asset.

MSETCL has also been appointed as Bid Process Coordinator (BPC) for transmission schemes by Ministry of Power, GoI. Accordingly the Company has incorporated wholly owned subsidiaries as Special Purpose Vehicle in respect of Independent Transmission Projects. The Group also had a fully owned subsidiary company, namely Kharghar Vikhroli Transmission Private Limited (KVTPL), as on 31 March 2020 registered for Independent Transmission Projects formed as special purpose vehicle (SPV). It ceased to be subsidiary w.e.f. 25 June 2020.

As per the objective of Ind AS 110 which establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. To meet the above objective, Ind AS 110 requires an entity (the parent) that controls one or more other entities (subsidiaries) to present consolidated financial statements:

(a) defines the principle of control, and establishes control as the basis for consolidation;

(b) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee;

(c) sets out the accounting requirements for the preparation of consolidated financial statements; and Educational Material on Ind AS 110.

(d) defines an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity.

As per the interpretation to guidelines as per Ind AS 110 , an investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect those returns through its power over the investee.

Hence, as per Para 4 of Ind AS 110 and Para 17 of Ind AS 28, MSETCL is not required to prepare/present Consolidated Financial Statements and Cash flow statement for its Subsidiary incorporated as SPV Company.

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

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - plan assets measured at fair value;

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.3 Current and Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

2.4 Rounding of amounts

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

2.5 Use of estimates and judgments

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

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

-Estimates of useful lives, residual value and impairment of Property, Plant and Equipments and Intangible Assets;

-Valuation of Inventories;

-Measurement of Defined Benefit Obligations and actuarial assumptions;

-Provisions;

-Evaluation of recoverability of deferred tax assets; and

-Contingencies.

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

2.6 Property, Plant and Equipment (Ind AS 16)

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

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

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

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

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

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

Spare parts, standby equipment and servicing equipment whose cost is Rs.10,00,000/- and above, which meets the recognition criteria of Property, Plant and Equipment were capitalized by the Company. However due to the introduction of MERC Capex Regulation 2022, wherein any replacement scheme and procurement of Standby spares would not be allowed as Capex Scheme and needs to be carried out under R&M Scheme. Hence, from FY 2021-22, the Company follows the MERC Regulation as, being an Regulatory Business, the ARR is approved by MERC

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

Cost of ORC Assets constructed are knocked off against the respective ORC Deposits received from the Customers and such assets are recognised at nominal value of Rupee 1 for identification and not at its cost of construction.

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

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

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

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

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

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

2.8 Intangible Assets (Ind AS 38)

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

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

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

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

2.9 Depreciation/Amortization (Ind AS 16)

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

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

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

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

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

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

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

Leasehold land (Except Considered as ROU under Ind AS-116 as referred in para 2.12) is fully amortized over lease period in accordance with the rates and methodology specified in MERC Tariff Regulation.

Depreciation rates used for various classes of assets are as under:

Particulars	Rate
Tangible Assets	
Hydraulic Works	5.28%
Buildings & Other Civil Works	3.34%
Plant & Machinery	5.28%
Transmission lines, Cable Network etc.	5.28%
Furniture, Fixtures and Office Equipments	5.28 % to 15%
Vehicles	6.33%

The Associates Companies provide depreciation and amortisation on assets based on Straight Line Method (SLM) as per provisions of Part B of Schedule II of the Companies Act, 2013.

2.10 Borrowing costs (Ind AS 23)

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

Interest during construction (IDC) and expenditure (net) allocated to construction as per policy referred at 2.7 above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP. Actual IDC is calculated for schemes where it is possible. In case of remaining scheme, debt equity ratio of 75:25 is considered for calculating of IDC for opening capex as well as capex incurred during the year. FIFO method is followed while considering the capitalization i e first capitalization of asset will be taken place from opening balance of capex. The weighted average rate of interest of each financial institution and banks is applied for calculating IDC.

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

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

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

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

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

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

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

2.12 Leases (Ind AS 116)

A contract is, or contain, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone of the non-lease components.

The Company recognises right of use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-0f-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any measurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of –use asset. The estimated useful life if right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-Use Asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable, impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses borrowing rate of 10.04% as considered by MERC during the approval of Interest Expenses on Normative Loans in its ARR Orders. For leases with reasonably similar characteristic's , the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised in-substance fixed lease payments. The Company recognises the amount of re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirement of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payment associated with these leases are recognised as an expense on a straight line basis over the lease term.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessees' incremental borrowing rate as at April 1, 2019. The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The company recognises lease payments received under operating leases as income on straight line basis over the lease term. In case of finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease.

If an arrangement contains lease and non lease components, the Company applies Ind AS 115 Revenue from Contracts with Customers to allocate the consideration in the contract.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, modified retrospective approach. Accordingly, the Company has not restated comparative information. The lease contracts entered by the Company majorly pertains for Land and buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lesser. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

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

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

2.14 Inventories (Ind AS 2)

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

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

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

2.15 Revenue Recognition (Ind AS 115)

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

Transmission Income

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

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

Dividend Income

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

Interest Income

Interest income is accounted on accrual basis.

Sale of Scrap

Income from sale of scrap is accounted for on realization basis.

Supervision charges

The supervision charges received from Outright Consumers Contribution is recognised in the year of the collection.

Other Income

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

2.16 Employee Benefits (Ind AS 19)

Short Term Employee Benefits:

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

Other long-term employee benefit obligations

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

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

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

Post- employment benefits:

The Company operates the following post-employment schemes:

(I) Defined Benefit Plans such as gratuity; and

(ii) Defined contribution plans such as provident fund.

Defined Benefit Plan

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

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

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

Defined Contribution Plan

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

2.17 Foreign Currency Transactions (Ind AS 21)

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

2.18 Investment in Associates and Joint Ventures (Ind AS 27)

Principle of consolidation

Equity Method

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of acquisition. The company's share of the investee's profit or loss is recognised in the company's statement of profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The company's share of those changes is recognised in the company's other comprehensive income.

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

2.19 A) Government Grants (Ind AS 20)

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

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

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

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

As per the Government of Maharashtra's policy for promotion of generation of energy from non conventional sources, 50% of cost of such power evacuation project developed by Private Developers shall be borne by the Company and remaining 50% will be reimbursed by MEDA to the developers.

C) Accounting of Contributions received from Consumers against Outright Right Works (ORC Schemes)

Outright Consumer Contributions received is being treated as follows

1) If advance is received for expenditures still to be incurred on creation of Fixed Assets , same is treated as Non Current Liabilities till the completion of that Fixed Assets.
2) If contribution is received on account of Supervision Charges only, the same is recognised as Other Income in the year of receipt.
3) If contribution is received on account of already created assets, the same is reduced against that asset in the year of receipt.

2.20 Provisions and Contingent Liabilities (Ind AS 37)

a) Provisions

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

b) Contingencies

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

2.21 Fair Value Measurement (Ind AS 113)

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

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

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

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

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

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

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

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

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

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

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

2.22 Financial Assets (Ind AS 32)

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments at amortized cost

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

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

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Equity investments

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

De-recognition

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

2.23 Financial Liabilities (Ind AS 32)

Initial recognition and measurement

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Borrowing Cost: Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

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

Financial Liabilities at amortized cost

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

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

De-recognition

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

Offsetting of financial instruments

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

2.24 Taxes on Income (Ind AS 12)

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

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

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

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

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

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

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

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

2.25 Prior Period Items (Ind AS 8)

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

2.26 Earnings per Share (Ind AS 33)

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

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

2.27 Cash and Cash Equivalents (Ind AS 7)

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

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

2.28 Statement of Cash Flows (Ind AS 7)

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

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

3 Changes in Accounting Policies and Disclosures

3.1 New and Amended Standards

Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards underCompanies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2024

Note 4.1: Property, Plant & Equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Equipments	Line & Cable Networks	Hydraulic Works	Other Civil Works	Furniture & Fixtures	Vehicles	Office Equipment (Including computer)	Solar Power Generation Equipments	Total
Gross carrying amount											
Balance as at 1st April, 2022	**26,054.38**	**31,346.74**	**12,13,376.32**	**9,47,329.47**	**2,813.06**	**1,27,576.63**	**2,390.52**	**1,035.86**	**5,680.46**	**49.66**	**23,57,653.10**
Additions	164.69	477.92	62,694.88	47,156.89	7.21	4,493.01	131.16	923.26	1,160.11	-	1,17,209.13
Disposals	-	(23.33)	42,059.93	(491.45)	-	(315.09)	(13.02)	(3.75)	(268.61)	-	40,944.68
Adjustments	107.48	(109.55)	(49,269.11)	3,476.73	-	(34.56)	-	(6.07)	-	-	(45,835.08)
Balance as at 31st March , 2023	**26,326.55**	**31,691.78**	**12,68,862.02**	**9,97,471.64**	**2,820.27**	**1,31,719.99**	**2,508.66**	**1,949.30**	**6,571.96**	**49.66**	**24,69,971.83**
Additions	24.34	508.90	60,413.43	42,753.92	4.40	4,434.15	130.46	66.11	3,245.84	-	1,11,581.55
Disposals	(0.00)	-	(1,106.15)	(1,211.94)	(0.75)	(25.45)	-	(13.34)	(85.74)	-	(2,443.37)
Adjustments	-	-	(2,377.54)	161.27	-	(47.90)	-	(20.65)	(0.21)	-	(2,285.03)
Balance as at 31st March , 2024	**26,350.89**	**32,200.68**	**13,25,791.76**	**10,39,174.89**	**2,823.92**	**1,36,080.79**	**2,639.12**	**1,981.42**	**9,731.85**	**49.66**	**25,76,824.98**
Accumulated Depreciation											
Balance as at 1st April, 2022		**10,979.55**	**4,13,314.73**	**3,17,147.52**	**939.35**	**30,024.61**	**889.84**	**320.41**	**2,832.44**	**3.88**	**7,76,452.33**
Additions		1,068.91	68,760.43	49,167.66	115.18	5,345.98	165.11	116.36	484.56	2.62	1,25,226.81
Disposals		(0.13)	5,761.62	(68.90)	-	(22.38)	(0.13)	(3.37)	(19.68)	-	5,647.03
Adjustments		(33.29)	(8,815.07)	1,177.35	-	(0.84)	-	(5.45)	0.01	-	(7,677.29)
Balance as at 31st March , 2023	-	**12,015.04**	**4,79,021.71**	**3,67,423.63**	**1,054.53**	**35,347.37**	**1,054.82**	**427.95**	**3,297.33**	**6.50**	**8,99,648.88**
Additions		1,057.91	69,838.37	49,992.16	105.96	4,866.58	170.30	133.53	930.28	2.62	1,27,097.71
Disposals		-	(403.90)	(285.60)	(0.27)	(10.76)	-	(11.67)	(8.67)	-	(720.87)
Adjustments		0.03	(1,496.80)	(9.72)	-	(16.63)	-	(18.43)	(0.18)	-	(1,541.73)
Balance as at 31st March , 2024	-	**13,072.98**	**5,46,959.38**	**4,17,120.47**	**1,160.22**	**40,186.56**	**1,225.12**	**531.38**	**4,218.76**	**9.12**	**10,24,483.99**
Net carrying amount											
Balance as at 31st March , 2024	**26,350.89**	**19,127.70**	**7,78,832.38**	**6,22,054.42**	**1,663.70**	**95,894.23**	**1,414.00**	**1,450.04**	**5,513.09**	**40.54**	**15,52,340.99**
Balance as at 31st March, 2023	**26,326.55**	**19,676.74**	**7,89,840.31**	**6,30,048.01**	**1,765.74**	**96,372.62**	**1,453.84**	**1,521.35**	**3,274.63**	**43.16**	**15,70,322.95**

Please refer Note 39: Assets hypothecated / pledged as security.
* includes assets at Rs 1 for which the cost is recovered from the dedicated consumer as ORC Deposit
* includes assets which are created at 50% of the value under the scheme for evacuation of power from Non-conventional sources (MEDA Schemes).

Title deeds of Immovable property not held in the name of the company

Details of all immovable property included in Property, Plant and Equipments are held in the name of the Company, except for as shown in table below.

Revelent Line Item in the Balance Sheet	Description of items of property	Gross carrying value (Rs in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relatove of promoter/director or employee of promoter/director	Property held since which date	Reasons for not being held in the name of the Company	Dispute, if any
Property, Plant & Equipment	Land	Not Ascertainable	MSETCL-463 out of 725	N. A.	Not Ascertainable		
		Not Ascertainable	MSEB/MSEDCL/ MSPGCL (Sister Concern) - 262 out of 725	N. A.	Not Ascertainable	Lands pertaining to erstwhile MSEB were transferred to MSETCL after trifurcation in 2005. However, certain lands which are in the names of MSEDCL, MSPGCL, MSEB, Maharashtra Industrial Development Corporation (MIDC) and private parties are still to be transferred in the name of MSETCL.	N. A.
		Not Ascertainable	Lease Hold / MIDC / Private/ Other - 238 out of 725	N. A.	Not Ascertainable		
	Building	NIL					

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

(Rs in Lakhs)

	As at 31.03.2022	Capital Expenditure during the year	Capitalisation / Adjustment during the year	As at 31.03.2023	Capital Expenditure during the year	Capitalisation / Adjustment during the year	As at 31.03.2024
Capital work-in-progress	3,41,932.91	1,53,911.57	(1,17,467.34)	3,78,377.14	1,18,272.75	(1,11,736.35)	3,84,913.54

Capital work in progress as at 31 March 2024 comprises expenditure for the new substation and Lines unit under construction.
Total amount of CWIP is Rs. 3,84,913.54 lakhs (31 March 2023: Rs. 3,78,377.14 lakhs).
Borrowing costs capitalised during the year amounted to Rs 6758.60 lakhs (31 March 2023: Rs 6440.23 lakhs).

Ageing Schedule of Capital Work in Progress FY 2023-24

(Rs in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress (incl ORC Schemes)	12,260.52	14,791.94	18,885.22	3,34,930.18	3,80,867.86
Projects temporarily suspended				4,045.68	4,045.68
Total	12,260.52	14,791.94	18,885.22	3,38,975.86	3,84,913.54

*Ageing Schedule of Capital Work in Progress is prepared based on the year of commencement of capex in respective Project .

Ageing Schedule of Capital Work in Progress FY 2022-23*

(Rs in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress (incl ORC Schemes)	19,342.23	21,514.36	32,458.54	2,95,945.41	3,69,260.54
Projects temporarily suspended				9,116.60	9,116.60
Total	19,342.23	21,514.36	32,458.54	3,05,062.01	3,78,377.14

*Ageing Schedule of Capital Work in Progress is prepared based on the year of commencement of capex in respective Project .

Ageing Schedule of Capital Work in Progress whose completion, if overdue or, has exceeded its cost compared to its original plan and Projects Suspended.

(Rs in Lakhs)

Capital Work In Progress	Amount of CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress / Time Overrun					
132 KV Nanduri	14.77	-			14.77
132KV Jat-Tarodi SS	30.63	-			30.63
132Kv Kankawali- Kudal Line	119.41	-			119.41
132kV level creation at SICOM,Chandrapur		4,394.40			4,394.40
132KV Vadjre SS	405.45	-			405.45
220 KV Krishnoor	1,820.07	-			1,820.07
220 KV Narsi		-	1,781.08		1,781.08
220 KV Partur SS (Revali.on 18.11.2021)	1,514.72	-			1,514.72
220/132 kV Kurunda s/s (GIS)	4,751.83	-			4,751.83
220KV Bhokar	20.98	-			20.98
220KV Karad-Koyna LL	154.49	-			154.49
220kV Lines of Nagpur RingMain BR 112/12		17,383.41			17,383.41
220kV link lines for 400kV Kudus SS-REV	29,178.41	-			29,178.41
220kV ln frm 400kV PGCIL (Kum'ri)ss-Bale	253.82	-			253.82
220KV Lonand MIDC SS	876.43	-			876.43
220kV Nagewadi-Bhokardhan DC LL	2,998.28	-			2,998.28
220KV Nagpur Ring Main SS	10,307.81	-			10,307.81
220KV Pimpalgaon (Ranwad) SS	1,009.10	-			1,009.10
220KV Walchandnagar SS	284.75	-			284.75
220KV Warud SS	13,113.19	-			13,113.19
2nd ckt strg of 132kV Wardha - Seloo line		237.28			237.28
2nd Ckt. stringing under Akola &Amravati	28.44	-			28.44
2nd Ckt.Stringing under Solapur Circle		11.36			11.36
2nd Ckt.Stringing underAurangabad Circle		138.37			138.37
400 KV Aurangabad- II (Tapti Tanda)		15,039.53			15,039.53
400KV Alkud SS	1,726.66	-			1,726.66
400KV Chandrapur-II SS	826.54	-			826.54
400KV Hinjewadi GIS SS		19,821.59			19,821.59
400KV Koradi-II SS	9,851.47	-			9,851.47
Add of T/F at 2 Nos. EHV S/s Karad zone	8.62	-			8.62
Add. of ICTs at 2Nos. of S/s, Pune Zone		534.92			534.92
Add.& Repl. of ICTs ,Karad Zone	14.98	-			14.98
Add/ Replace of T/Fs 4 EHV SS A'bad Zone	139.43	-			139.43
Addition. of ICTs under Amravati Zone	272.00	-			272.00
Administrative building at Kalwa Complex	664.56	-			664.56
Administrative building Nagpur	1,330.70	-			1,330.70
Administrative building Pune	141.77	-			141.77
Ambheri-Aundh 132kV SCDC Line	788.87	-			788.87
Amravati Administrative Bldg	24.49	-			24.49

Capital Work In Progress	Amount of CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Aug by add & replace. T/F Amravati Zone	7.89	-			7.89
Aug of 220kVMalegaon & 220kVAnjangaon	33.54	-			33.54
Const of132 kV A'nagar MIDC-Nimblak TSS	533.19	-			533.19
Const ofTL under GEC-Part I (Tranche II)	4,646.67	-			4,646.67
Const. of 68 nos. new 33kV bays,Abd zone	50.43	-			50.43
Conv Kolhapur II-Puikhadi SCSC to SCDC	148.48	-			148.48
Est 132/33kV hybrid GIS ss at Jat Tarodi	9,849.48	-			9,849.48
Est of 220/22 kV GIS s/s at Abitghar		6,701.19			6,701.19
Esta. of add. PT bays at vari.SS Ngp circle	169.35	-			169.35
Estb of 132/33 kV S/S at Sironcha		2,992.84			2,992.84
Estb of 220kV GIS Shendra MIDC	13,362.16	-			13,362.16
Estt of 220/132/33kV Nagbhid s/s	6,759.18	-			6,759.18
Estt. 132kV Jawhar ss-Rev	212.07	-			212.07
Estt. of 220KV Chakan-II s/s	2.60	-			2.60
Estt. of 400KV Kudus S/S	74,706.76	-			74,706.76
Implement SAS at 400kv Non SAS 400KVSSNZ	11.04	-			11.04
LL from 400kV PGCIL -220kV Hinjewadi-II		-	1,912.95		1,912.95
R&M of 220KV Chinchwad SS- was sanctioned	263.92	-			263.92
Relocation of Anjur Earth Electrode Stn	723.28	-			723.28
Repl. of Disc Insulators for 220kV Lines	0.13	-			0.13
Replac of 245kV & 145kV CT under Nashik	19.53	-			19.53
SITC of 3 DCs	30.98	-			30.98
Stren. of bays at various SS under Vashi	3.59	-			3.59
Strenthening of EHV Network	221.46	-			221.46
Supply ETC OF TPI Transducer	1.44	-			1.44
Upgradation of 132kV Palghar ss to 220kV		480.03			480.03
Project temporarily suspended					
Evctn of Tarapur Extn				2,476.97	2,476.97
220KV Khandalgaon-Dasturi Link Line			1,437.52		1,437.52
132KV Kalmeshwar-Hingna LL		120.05			120.05
LILO on both ckts 400kv Tarapur-Padghe line			11.05		11.05
Total	**1,94,429.84**	**67,854.97**	**5,142.60**	**2,476.97**	**2,69,904.38**

Note 4.3 Right of Use Assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	Addition during the year	Disposal during the year	As at 31.03.2023	Addition during the year	Disposal during the year	As at 31.03.2024
Leasehold Land							
Gross Block	16,726.91	29.27	(1.62)	16,754.56	-	-	16,754.56
Accumulated Amortisation	698.96	7,163.53	33.16	7,895.65	405.47		8,301.12
Total	16,027.95	-7,134.26	31.54	8,858.91	(405.47)	-	8,453.44
Leasehold Building							
Gross Block	6,791.66	61.97	-	6,853.63	8,503.21	-	15,356.84
Accumulated Amortisation	5,075.58	1,704.37	-	6,779.95	1,735.90	-	8,515.85
Total	1,716.08	(1,642.40)	-	73.68	6,767.31	-	6,840.99
Balance at the end of the year	**17,744.03**	**(8,776.66)**	**31.54**	**8,932.58**	**6,361.84**	**-**	**15,294.43**

Please refer Note 31

Note 4.4 : Other Intangible Assets (Computer Softwares and SAP/ERP System Licenses)

(Rs in Lakhs)

Particulars	As at 31.03.2022	Addition during the year	Disposal during the year	As at 31.03.2023	Addition during the year	Disposal during the year	As at 31.03.2024
Gross Block	781.42	233.52	(231.46)	783.48	154.80	(154.80)	783.48
Accumulated Amortisation	617.97	139.56	(36.03)	721.50	72.73	(15.89)	778.34
Total	**163.45**	**93.96**	**(195.43)**	**61.98**	**82.07**	**(138.91)**	**5.14**

Notes to Consolidated Financial Statements for the year ended 31st March, 2024

5 Investments accounted for using the equity method

(Rs in Lakhs)

Particulars	Face Value (in Rs)	No. of Shares		Amount	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Unquoted - At Cost A)Equity Instruments of Associates					
Jaigaid Power Transco Limited (JPTL)	10	3,57,50,000	3,57,50,000	7,613.72	5,432.14
Share of Profit & Lost of Associates accounted for using the equity method, net of tax in JPTL,				838.66	852.95
Increase In Net Carrying value of Investment due to consideration of previous year profits and Dividend				-	1,328.41
Share of other comprehensive income of Associates accounted for using the equity method, net of tax In JPTL				(0.31)	0.22
Reduction In Carrying Investment due to Dividend Received				(1,608.75)	-
Net Carrying Amount of Investment		3,57,50,000	3,57,50,000	6,843.32	7,613.72
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	10	88,04,579	88,04,579	973.11	361.29
Additional investment made in equity during the year		88,04,578		880.46	
Bonus shares 32,94,691 Nos (21,72,242 (Nos) issued during the FY 2018-19 11,22,449 (Nos) in 2020-21 and 6,67,349 (Nos) in 2023-24)		39,62,040	32,94,691	-	-
Decrease in Net Carrying value of investment due to recomputation of share Holding				-	(12.68)
Share of Profit & Loss of Associates accounted for using the equity method, net of tax in MTCIL				1,548.12	756.57
Share of other comprehensive income of Associates accounted for using the equity method, net of tax In MTCIL				-	-
Reduction in Carrying Investment due to Dividend Received				(222.81)	(132.07)
Net Carrying Amount of Investment in Equity Shares		**2,15,71,197**	**1,20,99,270**	**3,178.88**	**973.11**
B)15% Non Cumulative, Participating, Redeemable Preference Shares		-	-	-	-
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	10	-	88,04,578	-	880.46
Additional investment in Preference Shares made during the year					
Share of Profit & Loss of Associates accounted for using the equity method, net of tax in MTCIL					-
Share of other comprehensive income of Associates accounted for using the equity method, net of tax in MTCIL				-	-
Net Carrying Amount of Investment In Preference Shares		**0**	**88,04,578**	**0.00**	**880.46**
TOTAL		**5,73,21,197**	**5,66,53,848**	**10,022.20**	**9,467.29**
Aggregate amount of unquoted securities				10,022.20	9,467.29
Aggregate amount of quoted securities				-	-
Market value of quoted securities				-	-
Aggregate amount of impairment in the value of investments				-	-

* Refer Note 38A

6 Non - current Investments

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Quoted		
At amortised Cost		
Investments in Government Securities*	1,44,547.66	1,26,680.86
Investments in Bonds*	0.00	0.00
Total	**1,44,547.66**	**1,26,680.86**

* Earmarked against Contingency/Special Reserve Fund, LDCD Fund, ORC Deposit .

Contingency Reserve Fund and Special Reserve Fund	85,760.66	87,313.05
ORC Deposit	58,787.00	39,367.81
Total	1,44,547.66	1,26,680.86
Aggregate Book value of unquoted securities	-	-
Aggregate Book Value of quoted securities	1,44,547.66	1,26,680.86
Market value of quoted securities	1,47,405.15	1,29,420.10
Aggregate amount of impairment in the value of investments	-	-

7 Non-Current Loans

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured , considered good unless stated otherwise		
Loans & Advances to Employees	136.93	137.35
Total	**136.93**	**137.35**

8 Non-Current Tax Assets (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Advance Income Tax	78,229.08	77,856.55
(net of Provision for Tax Rs. 98,872.97 Lakhs (Previous Year Rs. 53,834.73 Lakhs)		
Total	**78,229.08**	**77,856.55**

9 Other Non-current Assets

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured , considered good unless stated otherwise		
Capital Advances	1,175.61	602.13
Unamortised transaction cost #	1,703.23	1,639.42
Balances with group companies *	2,211.05	2,077.97
Security Deposits	574.62	1,398.09
Advances to Suppliers	3,520.26	3,399.72
Advances and Recoverables	1.70	1.74
Total	**9,186.47**	**9,119.07**

consist of transaction cost (Premium) incurred for investment in Government Security
* Refer Note No 33 (3)

10 Inventories

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Stores & Spares (At cost)	47,471.65	38,486.40
- Provision for Material Losses Pending Investigation & Obsolete Materials*	(1,089.78)	(1,089.78)
Total	**46,381.87**	**37,396.62**

* Provision made for non booking of Loss due to Material pending investigation and Obsolete materials stock (including scrap) (awaiting approval of Competent Authrority) included in the Stores and Spares.

11.1 Current Investments

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Quoted		
At amortised Cost		
Investments in Government Securities*	11,226.90	1,737.40
Investments in Bonds*	992.20	1,001.84
Total	**12,219.10**	**2,739.24**

* Earmarked against Contingency Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency as follows:

Continency Reserve	12,219.10	2,739.24
Foreign Exchange Fluctuation (JICA)	-	-
Total	**12,219.10**	**2,739.24**

Aggregate Book Value of unquoted securities	0.00	0.00
Aggregate Book Value of quoted securities	12,219.10	2,739.24
Market valuation of quoted securities	12,643.42	2,708.66
Aggregate amount of impairment in the value of investments		

11.2 Trade Receivables

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured unless stated otherwise *		
Considered Good	2,86,730.70	3,76,763.54
- Allowance as per Expected Credit Loss Model		
Considered Doubtful	11,613.59	11,613.59
- Allowance for Doubtful	(11,613.59)	(11,613.59)
Total	**2,86,730.70**	**3,76,763.54**

* Refer Note No 37

11.3 Cash and Cash Equivalents

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	3,850.74	7,706.93
Fixed Deposit Accounts (with original maturity of less than 3 months)	8,441.12	33,987.70
Cash and Stamps on Hand	11.63	12.57
In Designated Current Account operated and maintained in terms of MERC Regulation@	8,552.83	21,266.10
Total	**20,856.32**	**62,973.30**

@ Refer Note No 51

11.4 Bank balances other than cash and cash equivalents

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Fixed Deposit Accounts (with original maturity of more than 3 months but less than 12 months) #	2,89,031.09	23,861.78
Total	**2,89,031.09**	**23,861.78**

Under Pledge Refer Note no-39

11.5 Current Loans

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Loans & Advances to Employees	313.05	265.34
Total	**313.05**	**265.34**

The Group has not granted any loans or advances in the nature of loans to Promoters, Directors, KMPs either severaly or jointly with any other person.

11.6 Other Current Financial Assets

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured , considered good unless stated otherwise		
Interest Receivable	6,459.47	3,196.50
Other Receivables	11,964.81	6,573.93
Fixed Deposits with Bank *	3,754.08	2,971.00
Total	**22,178.36**	**12,741.43**

* Earmarked against LDCD Fund .

12 Other Current Assets

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured, Considered Good		
Prepaid Expenses	297.62	531.13
Other Receivables	0.00	0.00
Considered good	457.18	118.26
Considered doubtful	149.11	149.11
Less - Provision for Doubtful Debts	(149.11)	(149.11)
Total	**754.80**	**649.39**

13 Assets Classified as Held for Sale

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Assets Not in Use	13,667.75	14,695.12
Accumulated Depreciation for Asset not in use	(9,406.14)	(9,953.99)
Asset Sale Clearing	(7.59)	38.83
Accumulated Depreciation on Asset held for reuse	(1,231.38)	(478.00)
Asset held for Reuse	1,979.85	809.70
Loss to Fixed Assets pending Investigation	7.43	7.43
Total	**5,009.92**	**5,119.09**

14 Equity Share Capital

	Particulars	As at 31.03.2024		As at 31.03.2023	
		Numbers	Rs. in Lakhs	Numbers	Rs. in Lakhs
a)	**Authorised**				
	Equity Shares of Rs.10/- each	15,00,00,00,000	15,00,000.00	15,00,00,00,000	15,00,000.00
b)	**Issued, Subscribed and Paid up**				
	Equity Shares of Rs.10/- each	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47
	Total	**8,98,49,74,733**	**8,98,497.47**	**8,98,49,74,733.00**	**8,98,497.47**

c) **Terms & Rights attached to equity shares**

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

d) **Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	As at 31.03.2024		As at 31.03.2023	
	Numbers	Rs. in Lakhs	Numbers	Rs. in Lakhs
Shares outstanding at the beginning of the year Add: Shares Issue during the year	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47
Shares outstanding at the end of the year	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47

e) **Shares held by the Promoter at the end of the year**

Shares held by the Promoter at the end of the year				% Change during the year
Promoter Name	Designation	No of Shares	% of Total Shares	
MSEB Holding Company Limited	-	8,98,49,74,673	99.99%	NIL

f) **Shares held by holding/ ultimate holding company and by their subsidiaries / associates**

Particulars	As at 31.03.2024		As at 31.03.2023	
	Numbers	%	Numbers	%
Equity Shares				
MSEB Holding Company Limited	8,98,49,74,673	99.99%	8,98,49,74,673	99.99%

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

Particulars	As at 31.03.2024		As at 31.03.2023	
	Numbers	%	Numbers	%
Equity Shares				
MSEB Holding Company Limited	8,98,49,74,673	99.99%	8,98,49,74,673	99.99%

As per the records of the Company, including its Register of Shareholders/Members and Other declarations received from Shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

	2023-24		2022-23	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Equity Shares of Rs.10 each issued in the financial year 2015-16 as fully paid up to the shareholders of MSEB Holding Company limited, pursuant to the Maharashtra State Electricity Reforms Transfer Scheme, 2005 approved by Governement of Maharashtra on 31.03.2016.	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47

i) No class of shares have been issued as fully paid up shares by way of Bonus shares and for consideration other than cash during the period of five years immediately preceding the reporting date

15 Other Equity

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
a) Contingency Reserve Fund (Refer note (a) below)	93,008.00	85,301.00
b) Special Reserve Fund (Refer note (b) below)	13,939.00	13,939.00
c) Load Despatch Center Empowerment Reserve (LDCD) Fund (Refer note (c) below)	5,988.20	3,754.08
d) Retained Earnings	5,85,897.92	4,28,677.72
TOTAL	**6,98,833.12**	**5,31,671.80**

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Reserves & Surplus		
a) Contingency Reserve Fund (Refer note (a) below)		
Opening Balance	85,301.00	77,978.00
Transferred from retained earnings	7,707.00	7,323.00
	93,008.00	**85,301.00**
b) Special Reserve Fund (Refer note (b) below)		
Opening Balance	13,939.00	13,939.00
Add : Addition During the Year	0.00	0.00
	13,939.00	**13,939.00**
c) Load Despatch Center Empowerment Reserve (LDCD) Fund (Refer note (c) below)		
Opening Balance	3,754.08	4,283.76
Add : Addition/(Reversal) During the Year	2,467.00	0.00
Less : Utilisation for capex (allowed by MERC)	(232.88)	(529.68)
	5,988.20	**3,754.08**
d) Retained Earnings		
Opening Balance	4,28,677.72	3,30,389.78
Appropriation of Load Despatch Center Empowerment Reserve (LDCD) Fund amount from Retained Earnings of MSLDC	(2,467.00)	0.89
Profit for the year	1,75,440.82	1,03,536.10
Share of net profits of Associate/Joint Venture accounted for using equity method	2,760.42	2,925.25
Other comprehensive income for the year	(10,806.68)	(851.52)
Share of other comprehensive income of Associates accounted for using the equity method, net of tax	(0.30)	0.22
Total comprehensive income for the year	1,67,394.26	1,05,610.04
Transfered to Contingency Reserve	(7,707.00)	(7,323.00)
Transfered to Special Reserve Fund	-	-
	5,85,897.92	4,28,677.72
TOTAL	**6,98,833.12**	**5,31,671.80**

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

a) Contingency Reserve Fund-

A contribution towards Contingency Reserves has to be made in accordance with Regulation 36 of MERC(MYT) Regulations, 2015 and which is within the prescribed limits of Regulation(not less than 0.25% and not more than 0.5% of the original cost of fixed assets annually) and is to be invested in the approved class of securities authorised under the Indian Trust Act, 1882.

b) Special Reserve Fund-

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

c) Load Despatch Center Empowerment Reserve (LDCD)-

A contribution towards Load Despatch Center Development Fund has been made in accordance with Regulation 12 of the CERC (Fees and Charges of RLDC and Other related matters) 2015. The said fund is to be utilised for administrating capital expenditure.The charges on account of return on equity, interest on loan, depreciation of the Regional Load Despatch Centres and National Load Despatch Centre including the registration fee, shall be deposited into the LDCD Fund after meeting the statutory tax requirements.

16.1 Non-Current Borrowings

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Secured		
Term Loans from Banks (Note 16.1.a)	76,642.51	1,18,017.35
Term Loans from Other Parties (Note 16.1.b)	2,41,336.21	2,78,279.89
TOTAL	**3,17,978.72**	**3,96,297.24**

(Refer Note 39 & 41.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

16.1. a. Term Loans from Banks

(Rs in Lakhs)

Name of the Bank	As at 31.03.2024	As at 31.03.2023
Canara Bank	5,191.48	14,080.74
Bank of Maharashtra	34,774.79	50,014.53
Bank of India	0.00	1,958.83
ICICI Bank	5,339.14	10,862.57
Bank of India - 2	16,862.56	22,875.58
Bank of India - 3	14,474.54	18,225.10
TOTAL	**76,642.51**	**1,18,017.35**

16.1. b. Term Loans from Other Parties

(Rs in Lakhs)

Name of the Financial Institutes	As at 31.03.2024	As at 31.03.2023
Rural Electrification Corporation Limited	1,95,691.42	2,23,252.95
Power Finance Corporation Limited	28,747.63	40,715.72
LT Special Assistance Scheme from GoM	12,000.00	8,446.20
Kreditanstalt für Wiederaufbau (KfW) Bank #	4,897.16	5,865.02
TOTAL	**2,41,336.21**	**2,78,279.89**

Refer Note 50

16.2 Other Non-Current Financial Liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Retention Money	1,05,236.88	1,13,006.05
Security Deposits *	28,344.51	23,357.81
Other deposits	240.22	3,754.84
TOTAL	1,33,821.61	1,40,118.70

* Security / Other Deposits from Vendors/Contractors/Customer, considered as Financial Liability on the basis of guidance in Ind AS 113 issued by Institute of Chartered Accountants of India (ICAI), is not fair valued.

17 Non - Current Provisions

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Employment Benefits		
Provision for Gratuity (unfunded)*	65,126.28	46,729.52
Provision for Leave Encashment (unfunded)*	76,245.47	54,967.44
Provision for Capital Expenditures	12,573.57	12,680.61
TOTAL	**1,53,945.32**	**1,14,377.57**

* Refer Note 32

18 Deferred tax liabilities (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Deferred tax liabilities		
Property, plant and equipment (includes intangible assets and revaluation impact)	2,90,146.33	2,90,051.04
Intangible Assets	348.94	289.01
DTL	**2,90,495.27**	**2,90,340.05**
Deferred tax assets		
Right of Use Assets and its Lease Liabilities	(5,772.48)	(2,918.64)
Unamortised Transaction Cost	820.34	820.34
Employee Benefits	42,401.63	31,641.79
Impairment on trade receivables	963.09	963.09
Government grant	2,530.19	1,828.59
Amortisation of investment in govt securities	1,616.43	1,616.43
Others	7,778.41	7,778.41
DTA	**50,337.61**	**41,730.01**
Reversal of opening DTL	3,499.92	3,499.92
Net (DTA)/DTL	**2,36,657.74**	**2,45,110.12**

* Refer Note -36

19 Non Current Tax Liabilities (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Income Tax Liabilites	42,408.02	42,408.02
(Net of Provision for Tax Rs. 98,872.97 Lakhs (Previous Year Rs. 53,834.73 Lakhs)		
TOTAL	**42,408.02**	**42,408.02**

20 Other Non-Current Liabilities *

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Grant : Power System Development Fund	5,539.73	6,062.56
Grant: Towards cost of capital assets	13,142.07	13,907.00
Grant : Green Energy Corridor for Projects	7,065.19	7,405.12
Grant: Tribal Sub Plan Area (TSP)	1,790.40	1,832.30
Grant: In Aid from PGCIL for REMC Assets	189.55	320.67
Deposit received from Consumers under ORC Schemes	1,59,987.71	1,24,988.85
TOTAL	**1,87,714.65**	**1,54,516.50**

* Refer Note No 34

21.1 Current Borrowings

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Loan Repayable on Demand		
Secured		
Current Maturities of Term Loans from Banks	42,280.86	43,798.12
Current Maturities of Term Loans from Other Parties	43,276.82	43,556.41
TOTAL	**85,557.68**	**87,354.53**

(Refer Note 39 & 41.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

21.2 Trade payables

(Rs in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	2,559.35	430.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	29,815.65	24,103.03
TOTAL	**32,375.00**	**24,533.16**

Refer Note no 37

21.3 Other current financial liabilities

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Other current financial liabilities - At Amortised Cost		
Interest accrued but not due on borrowings	2,137.39	2,323.27
Employee related payables	4,768.79	4,848.39
Payable to group companies *	2,600.08	3,498.64
Other payables	2,419.99	1,992.29
TOTAL	**11,926.25**	**12,662.59**

* Refer Note No 33 (3)

22 Short term provisions

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for gratuity(unfunded) *	6,204.93	5,784.91
Provision for leave encashment (unfunded)*	5,032.78	9,608.23
Provision for CSR Expenditure @	8,780.00	8,312.19
Provision for late interest payment on Service Tax	264.43	264.43
Provision for Tree/Land Compensation	1,721.80	1,606.34
Provision for Pay Revision	23,285.99	0.00
Provision for Shortfall on CPF Liability	4,255.00	544.73
Other Provisions #	3577.25	3792.17
TOTAL	**53,122.18**	**29,913.00**

* Refer Note No 32
@ Refer Note No 49
# Other Provisions include provisions for R&M and Other Expenses.

23 Other current liabilities

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Duties & taxes payable	6,702.32	1,531.42
Payable to MSEB CPF Trust	2,268.96	2,094.09
Advances from customers	125.59	176.87
Other Liability - Third Party (Net) (Liability in respect of Designated Accounts operated and maintained in terms of MERC Regulations) @	8,552.83	21,266.10
Other payables	536.65	859.26
TOTAL	**18,186.35**	**25,927.74**

@ Refer Note No 51

24 Revenue from operations

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Transmission charges (STU)	6,47,435.90	4,69,277.81
Transmission charges (Others)	2,198.39	2,346.83
Open Access Charges	581.98	1,262.36
SLDC Charges	3,109.84	3,500.49
Additional Transmission and Regulatory Charges	1,061.33	10,896.74
Rescheduling Charges	1,154.93	2,279.23
Total	**6,55,542.37**	**4,89,563.46**

25 Other Income

(Rs in Lakhs)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Interest income	22,912.90	10,692.88
Rent	533.01	413.24
Profit on sale of Property , Plant and Equipment	1,166.63	1,639.47
Sale of tender forms	148.03	143.28
Income from sale of scrap	1,352.66	2,163.48
Government Grant	2,007.80	1,706.67
Amortisation of investments	0.00	0.00
Remittance of amounts collected by Distribution Licensees from Partial Open Access Consumers	3,685.53	45,423.90
Other Miscellaneous Income	31,825.41	16,307.21
Gain on foreign currency transactions and translations (Net)	-	0.00
Total	**63,631.97**	**78,490.13**

26 Repairs & Maintenance Expenses

(Rs in Lakhs)

Particulars	Year Ended 31st March2024	Year Ended 31st March 2023
Property, Plant and Equipment *	55,644.97	55,127.71
Repairs and maintenance expenses capitalised #	(62.17)	(52.36)
Total	**55,582.80**	**55,075.35**

Refer Note No 4.2

27 Employee Benefits Expense

(Rs in Lakhs)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Salaries, allowances, Bonus etc.	1,11,891.31	1,07,430.71
Staff welfare expenses	4,798.06	4,859.24
Other staff costs*	7,891.13	1,610.60
Leave encashment	22,817.24	15,221.47
Gratuity	7,041.31	6,520.76
Contribution to Provident & Other Funds	9,905.57	9,364.91
Provision for Wage Revision Impact of FY 2023-24	23,285.99	0.00
Employee costs capitalised #	(10,500.08)	(9,914.90)
Total	**1,77,130.53**	**1,35,092.79**

* Includes excess provision for CPF Plan Assets by Rs. 7,124.53 lakhs (PY Rs NIL).
# Refer Note No 4.2

28 Finance Costs

(Rs in Lakhs)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest Expense		
(i) Banks	11,620.14	14,005.39
(ii) Others	28,968.98	30,467.35
Transaction Costs	340.58	315.81
Miscellaneous Costs @	55.82	67.47
Amortisation of borrowings	4.41	37.10
Foreign Exchange Loss	68.02	130.08
Interest on Lease Liabilities	735.22	112.65
Interest and Finance Charges Capitalised #	(6,758.60)	(6,440.23)
Total	**35,034.57**	**38,695.62**

@ Miscellaneous Cost includes commitment charges, Bank charges and interest due to MSME Vendors.
# Refer Note No 4.2

29 Depreciation and amortisation expense

(Rs in Lakhs)

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
Depreciation of property, plant and equipment	1,26,772.63	1,32,346.38
Amortisation of right-of-use assets	2,141.37	1,704.36
Amortisation of intangible assets	72.73	139.56
Total	**1,28,986.73**	**1,34,190.30**

30 Other expenses

(Rs in Lakhs)

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Advertisement Expenses	63.76	124.03
Advertisement of tenders / notices and other purchase related advertisement	436.11	433.98
Auditor's Remuneration		
Statutory Audit Fees	29.50	29.50
For Reimbursement of Expenses	10.62	9.00
For Reimbursement of GST on Audit Fee	6.93	6.93
Electricity Charges	8,748.08	9,716.03
Freight Charges	0.80	1.06
Insurance	292.07	437.27
IT & Communication related Exp	2,059.70	1,887.71
Legal & Professional (Technical/Consultancy/Other Auditors) Fees	898.14	2,155.88
Membership & Subscription	1,266.47	927.76
Miscellaneous Expenses	666.55	733.04
Balances Written off/ written back (Net)	84.77	426.15
Outsource Personnel Salary	13,071.15	11,352.98
Postage Telephone & Telex	333.13	337.82
Printing & Stationery	398.22	396.16
Rent	66.60	20.41
Rates & Taxes	1,647.92	1,331.07
Security Expenses	11,495.45	10,895.39
Travelling & Conveyance	960.16	771.15
Upkeep of office (incl Rest house maintenance)	1,480.57	1,250.27
Vehicle Running & Maintenance Expenses	580.70	552.36
Water charges	661.40	648.86
Expenditure on Hiring of Vehicles	3,937.68	3,648.26
Corporate Social Responsibility Expenses*	2,961.02	2,247.39
Expenses capitalised #	(1,757.50)	(1,605.10)
Total	**50,400.00**	**48,735.36**

* Refer Note No. 49 # Refer No 4.2

Note No 31 : Leases

I) Where company is a lessee :

The Company has entered into leasing arrangements for Land and Premises usage. Majority of the leases are cancellable by the Company. Right of Use and Lease Liabilities have been shown separately in the Balance Sheet.

The Company has adopted Ind AS 116 "Leases" with effect from April 1, 2019, with a modified retrospective approach. The Company has elected to account for short-term leases using the practical expedients i.e. instead of recognising right-of-use asset and lease liability, the payments in relation to these shot term leases are recognised as an expense in profit or loss. Company uses borrowing rate of 10.04% as considered by MERC during the approval of Interest Expenses on Normative Loans in its ARR Orders.

Right-of-use assets

(Rs in Lakhs)

Particulars	Category of ROU Asset		
	Leasehold land	Building	Total
Balance as at 1 April 2022	16,027.95	1,978.55	18,006.50
Recognized during the year	29.27	61.97	91.24
Payments during the year	(1.62)	(52.65)	(54.27)
Amortisation	(7,196.69)	(1,910.73)	(9,107.42)
Balance as at 31 March 2023	8,858.91	77.14	8,936.05
Recognized during the year	-	8,503.21	8,503.21
Payments during the year		(46.43)	(46.43)
Amortisation	(405.47)	(1,406.38)	(1,811.85)
Balance as at 31 March 2024	8,453.44	7,127.54	15,580.98

Lease Liabilities

I. Lease disclosures under Ind-AS 116 for the current year ended 31 March 2024

(i) Amount Recognised in the Balance sheet

(Rs in Lakhs)

Sr. No.	Particulars	For Year ended 31.03.2024	For Year ended 31.03.2023
a)	**Right-of-use assets (net)**	15,294.43	8,932.58
b)	**Lease liabilities**		
	Current	1,438.36	35.90
	Non-current	5,689.18	41.24
	Total Lease liabilities	**7,127.54**	**77.14**
c)	**Additions to the Right-of-use assets**	8,503.21	61.98

(ii) Amount recognised in the Statement of profit and Loss

(Rs in Lakhs)

Sr. No.	Particulars	For Year ended 31.03.2024	For Year ended 31.03.2023
a)	Depreciation charge for right-of-use assets	2,141.37	1,704.36
b)	Interest expenses (included in finance cost)	735.22	112.65

(iii) Maturity analysis of undiscounted lease liability

(Rs in Lakhs)

Period	For Year ended 31.03.2024	For Year ended 31.03.2023
Not Later than one year	1,569.15	2,066.58
Later than one year	6,198.85	65.00
Total	**7,768.00**	**2,131.58**

(iv) Amounts recognised in statement of Cash Flows

(Rs in Lakhs)

Particulars	For Year ended 31.03.2024	For Year ended 31.03.2023
Total Cash outflow for leases	(7,050.40)	1,901.41

The Company's significant leasing/ licensing arrangements are mainly in respect of office premises. Leases generally have a lease term ranging for 60 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

Finance costs includes interest expense amounting to Rs 735.22 Lakhs for the year ended 31st March 2024 on lease liablity accounted in accordance with Ind AS 116 "Leases".

II) **Where Company is a lessor:**
The Company has given land to Maharashtra Eastern Grid Power Transmission Company Limited for 20 years for construction of 765/400 sub-station. Premium in respect of lease have been received from MEGPTL.

Note 32 Employee Benefits

a) **Defined Contribution Plans**
The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss. According to the Management, the Actuary has opined that actuarial valuation can not be applied reliably to measure provident fund liabilities in absence of guidance from the Actuary Society of India. The Fair value of investment is short by Rs. 21,932 Lakhs (PY Rs. 921.59 Lakhs excess) than

subscription value, hence provision is made by the Company. The Company recognised Rs. 9,883.70 lakhs (previous year Rs. 9,298.34 lakhs) for Provident Fund contribution in the Statement of Profit and Loss.The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Provident Fund

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

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Liability for subscriptions and interest payable to employees at the end of the year	2,35,615.00	2,11,330.23
Fair value of plan assets at the end of the year	2,13,683.00	2,12,251.82
Net Liability	**21,932.00**	**(921.59)**

ii) Description of plan assets

Particulars	As at 31st March 2024	As at 31st March 2023
Government Securities (GOI)	49.33%	42.13%
State Development Loan (SDL)	4.79%	5.14%
Other Security Gaurantee by Central/State Govt	22.45%	0.00%
Debt's and Other Related Instrument	2.02%	27.87%
Others	0.00%	1.97%
Exchange Traded Fund (ETF) SBI & UTI	4.37%	4.46%
Special Deposit Schemes(SDS)	17.04%	18.43%

b) **Defined Benefit Plan : Gratuity**

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

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

Gratuity (Unfunded)

Movement in net defined benefit (asset)/ liability

i) **Reconciliation of opening and closing balances of Gratuity obligation**

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Defined benefit obligation at the beginning of the year	52,514.42	48,569.94
Current service cost	3,112.58	2,999.44
Past Service Cost		-
Net Interest cost	3,928.72	3,521.32
Actuarial (gain)/loss on Obligation - Due to change in Demographic Assumptions	-	0.00
Actuarial (gain)/loss on Obligation - Due to change in Financial Assumptions	1,635.44	(1,083.43)
Actuarial (gain)/loss on Obligation - Due to change in Experience	14,975.91	2,392.33
Benefits paid	(4,835.87)	(3,885.18)
Defined benefit obligation at the end of the year	**71,331.20**	**52,514.42**

ii) **Reconciliation of opening and closing balances of fair value of plan assets**

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

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

Particulars	As at 31st March 2024	As at 31st March 2023
Fair value of plan assets as at the end of the year	-	-
Present value of obligations as at the end of the year	(71,331.20)	(52,514.42)
Unfunded (Liability)/asset recognized in the Balance Sheet	(71,331.20)	(52,514.42)

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

Particulars	As at 31st March 2024	As at 31st March 2023
Current service cost	3,112.58	2,999.44
Interest cost	3,928.72	3,521.32
Past Service Cost	-	-
Expected return on plan assets	-	-
Net Actuarial (gain)/loss	-	-
Total expenses recognized in the Statement of Profit and Loss account	**7,041.30**	**6,520.76**

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

Particulars	As at 31st March 2024	As at 31st March 2023
Actuarial (Gains)/ Losses	-	-
- Changes in Demographic assumptions		-
- Changes in Financial arrangements	1,635.44	(1,083.43)
- Changes in the effect of limiting a net defined benefit asset ceiling, excluding amounts included in interest		-
- Experience adjustments	14,975.91	2,392.33

vi) Major Actuarial Assumptions

Particulars	As at 31st March 2024	As at 31st March 2023
Discount rate	7.22%	7.50%
Expected return on plan assets	NA	NA
Salary increment	5%	5%
Employee turnover	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Mortality rate after employment	NA	NA

vii) The expected future cash flows as on : **(Rs in Lakhs)**

Particulars	As at 31st March 2024	As at 31st March 2023
Projected benefits payable in future years from the date of reporting		
1st following year	6,209.78	5,789.27
2nd following year	4,260.37	3,383.08
3rd following year	5,561.85	4,072.74
4th following year	5,723.23	4,115.56
5th following year	5,805.03	4,271.89
Sum of year 6 to 10	27,269.11	20,219.43
Sum of Year 11 and above	95,575.97	71,749.35

viii) Sensitivity analysis

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

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
(+) 1% change in rate of discounting	(5,558.91)	(3,968.30)
(-) 1% change in rate of discounting	6,404.20	4,580.38
(+) 1% change in rate of salary increase	6,483.41	4,649.63
(-) 1% change in rate of salary increase	(5,719.05)	(4,091.28)
(+) 1% change in rate of employee turnover	1,111.01	929.81
(-) 1% change in rate of employee turnover	(1,234.63)	(1,035.41)

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

c) Long Term Benefits: Leave Encashment

i) The Projected Benefit Obligation towards this Accumulating paid absences (Earn Leave Valuation) is tabulated below:

Particulars	As at 31st March 2024	As at 31st March 2023
Projected Benefit Obligation	55,918.20	46,578.44
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

ii) Major Actuarial Assumptions (Earn Leave Valuation)

Particulars	As at 31st March 2024	As at 31st March 2023
Discount rate	7.22%	7.50%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement Age	58 & 60 years	58 & 60 years
While in service encashment rate	NA	10% for the next year

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

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Projected Benefit Obligation	25,360.05	17,997.24
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

iv) Major Actuarial Assumptions (Half paid leave)

Particulars	As at 31st March 2024	As at 31st March 2023
Discount rate	7.22%	7.50%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement Age	58 & 60 years	58 & 60 years

Note 33: Related Party Transactions

In accordance with the requirements of Ind AS 24 Related Party Disclosures , names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are as follows:

Names of related parties and description of relationship	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest	
			Year Ended 31st March 2024	Year Ended 31st March 2023
Parent Limited MSEB Holding Company Limited (MSEBHCL)	India	Electricity Generation, Transmission and Distribution to Consumers	99.99%	99.99%
Associates Jaigad Power Transco Limited (JPTL)	India	Transmission of electricity	26%	26%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	India	Making available optical fibre capacity on lease	49%	35.02%

c) Key Managerial Personnel

Key Management Personnel Name	Designation	Tenure
Shri. Dinesh T. Waghmare	Chairman & Managing Director	till 02.05.2023
Dr Shri Sanjeev Kumar	Chairman & Managing Director	03.05.2023 onwards
Shri. Nasir Syed Quadrri	Director (Projects)	till 09.10.2023
Shri Sugat Gamare	Director (Human Resource)	10.01.2022 onwards
Shri. Ashok Phalnikar	CFO & Director(Finance)	till 31.01.2024
Smt Abha Shukla	Nominee Director	29.11.2022 onwards
Shri. Vishwas Pathak	Independent Director	28.08.2022 onwards
Smt. Trupti Nitin Mudholkar	Independent Director	till 29.02.2024
Smt. Vineeta Shriwani	Company Secretary	22.06.2015 onwards

d) Remuneration paid to Key Managerial Personnel

(Rs in Lakhs)

Key Managerial Personnel Name	Year ended 31st March 2024	Year ended 31st March 2023
Shri Dinesh T. Waghmare	7.84	14.31
Dr. Shri Sanjeev Kumar	33.42	-
Shri. Anil V Kolap	-	27.55
Shri Nasir Syed Quadrri	21.83	42.10
Shri Ashok Phalnikar	39.32	39.25
Shri Sugat Gamare	56.38	47.39
Smt. Vineeta Shriwani	35.26	33.56

e) Sitting Fees paid to Independent Directors

(Rs in Lakhs)

Name of Independent Directors	Year ended 31st March 2024	Year ended 31st March 2023
Shri Vishwas Pathak	0.75	0.45
Smt Trupti Nitin Mudholkar	0.45	0.50

f) Transactions during the year with Subsidiaries/Associates:

(Rs in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Associates		
Jaigad Power Transco Limited		
Dividend Income	1,831.56	132.07
Bay Maintenance income	70.72	53.87
Total A	**1,902.28**	**185.94**
Maharashtra Transmission Communication Infrastructure Limited		
One time upfront payment for ROW	00.00	1,000.00
Issue of Right Issue of Equity	880.46	
Redemption of Preference Shares	(880.46)	0.00
Total B	**0.00**	**1,000.00**
Total C= A+B	**1,902.28**	**1,185.94**

g) Outstanding balances with Associates:

(Rs in Lakhs)

Name of Associates	Year ended 31st March 2024	Year ended 31st March 2023
Investments in Equity Shares		
Jaigad Power Transco Limited	3,575.00	3,575.00
Maharashtra Transmission Communication Infrastructure Limited	1,760.92	880.46
Investments in Preference Shares		
Maharashtra Transmission Communication Infrastructure Limited	0.00	880.46

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

3 The Company has not included disclosure in respect of following related parties which are Government related entities as per Ind AS 24 Para 25:

Maharashtra State Power Generation Company Limited (MahaGenco) (MSPGCL)

Maharashtra State Electricity Distribution Company Limited (MahaVitaran) (MSEDCL)

MSEB Holding Company Limited (MSEBHCL)

Note 34 : Government Grants for capital assets

(Rs in Lakhs)

Capital / Government grants	Amount
As at 01.04.2022	**31,448.74**
Received during FY 2022-23	300.46
Interest received on GEC & PSDF Grants	0.00
Refunded to Government during the year FY 2022-23	(514.88)
Government Grant amortised during FY 2022-23	(1,706.67)
As at 31.03.2023	**29,527.65**
Received during FY 2023-24	207.09
Interest received on GEC & PSDF Grants	0.00
Refunded to Government during the year FY 2023-24	-
Government Grant amortised during FY 2023-24	(2,007.80)
As at 31.03.2024	**27,726.94**

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

F. Y.	Grants Received (Rs in lakhs)	Reasons for unfulfilled conditions
Grant received for Construction of Substations and Lines for strentening of Transmission Network in 14 Districts		
2006-07	6,850.00	Total 29 Schemes out of which only 2 schemes are still ongoing, status thereof is unascertainable
2007-08	8,000.00	Total 21 Schemes out of which only 4 schemes are still ongoing, status thereof is unascertainable
2008-09	9,000.00	Total 79 Schemes out of which only 3 schemes are still ongoing, status thereof is unascertainable
Grant received as Power System Development Fund for System Improvement		
2017-18	874.40	Work in progress
2018-19	1,284.90	
2019-20	740.60	
2020-21	1,083.00	
2021-22	3,190.00	
Grant against Green Energy Corridor Project received as per the recommendation of 13th Finance Commission towards equity portion of MSETCL		
2017-18	7,500.00	Work in progress
2018-19	3,556.59	
2019-20	611.20	
2019-20(Refunded)	(3,500.00)	
2022-2023	300.46	
2023-2024	207.09	
Grant received from State Government towards 50% construction cost of Jawahar substation in Thane district under Tribal Sub Plan Area (TSP)		
2017-18	1,809.38	Work in progress
2018-19	182.20	
Grant in Aid from Ministry of Power, GoI (through PGCIL) for Renewable Energy Management Center (REMC) Assets as part of control infrastructure at Green energy corridors at 11 locations.		
2020-21	617.48	Assets handed over to SLDC by PGCIL

Interest Earned on GEC and PSDF Grant	-	

Note 35 : Earnings Per Share (EPS)

Particulars	For Year ended 31st March 2024	For Year ended 31st March 2023
Number of Equity Shares at the beginning of the year	8,98,49,74,733	8,98,49,74,733
Shares issued during the year (Nos)	-	-
Number of Equity Shares at the end of the year	8,98,49,74,733	8,98,49,74,733
Weighted Average No of Equity Shares	8,98,49,74,733	8,98,49,74,733
Profit for calculation of EPS (Rs in lakhs)	1,67,394.25	1,05,610.04
Basic and Diluted Earnings Per Share (Rs)	1.86	1.18

Note 36 : Tax expense

(a) Amounts recognised in statement of profit and loss

(Rs in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Current year	99,201.62	54,155.60
Short/Excess provision for earlier years	-	-
Current tax expense (A)	**99,201.62**	**54,155.60**
Origination and Reversal of Temporary Differences - Deferred Tax (Credit)/Charge	(2,274.08)	(1,106.66)
Deferred tax expense (B)	**(2,274.08)**	**(1,106.66)**
Tax expense recognised in the current statement (A) + (B)	**96,927.54**	**53,048.94**

(b) Amounts recognised in Other Comprehensive Income

(Rs in Lakhs)

Particulars	For Year ended 31.03.2024			For Year ended 31.03.2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss : Remeasurements of the defined benefit plans	(16,611.72)	5,804.74	(10,806.99)	(1,308.63)	457.33	(851.30)
	(16,611.72)	5,804.74	(10,806.99)	(1,308.63)	457.33	(851.30)

(c) Reconciliation of effective tax rate

(Rs in Lakhs)

Particulars	Year ended 31st March 2024		Year ended 31st March 2023	
	%	Rs. In lakhs	%	Rs. In lakhs
Profit before Tax		2,75,128.78		1,59,510.29
Current Tax using Applicable Tax Rate	34.94	96,141.00	34.94	55,739.28
Tax effect of:				
Non-deductible Expenses	1.94	5,328.29	1.06	1,684.93
Allowable Expenses	0.58	1,596.79	1.39	2,222.94
Deduction u/s 80-IA	-4.02	(3,864.43)	(3.02)	(4,723.78)
DTL Reversal on Reclassification of Spares	-	-	-	
DTL on Property, Plant & Equipment	55.35	2,949.13	2.19	3,429.65
DTL on Intangible Assets	3.75	59.93		96.87
DTA on Others	136.71	(5,283.13)	(3.45)	(5,400.95)
Current Tax as per P&L and Effective Tax Rate	**35.23**	**96,927.54**	**33.26**	**53,048.94**

Note 36: Tax expense (continued)

(d) Movement in deferred tax balances

(Rs in Lakhs)

Particulars	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	31 March 2024 Net	31 March 2024 Deferred tax asset	31 March 2024 Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets and revaluation impact)	(2,90,051.04)	(95.29)		-	(2,90,146.33)	-	(2,90,146.33)
Intangibles Assets	(289.01)	(59.93)			(348.94)	-	(348.94)
Right of Use Assets and its lease liability	(2,918.64)	(2,853.84)		-	(5,772.48)	-	(5,772.48)
Transaction Cost for Borrowings	820.34			-	820.34	820.34	-
Employee benefits	31,641.79	4,955.17	5,804.67	-	42,401.63	42,401.63	-
Provisions (Trade Receivables)	963.09			-	963.09	963.09	-
Government grant	1,828.59	701.61		-	2,530.19	2,530.19	-
Investment in government security	1,616.43	-		-	1,616.43	1,616.43	-
Other items	7,778.41			-	7,778.41	7,778.41	-
Tax assets (Liabilities)	(2,48,610.04)	2,647.72	5,804.67	-	(2,40,157.65)	56,110.10	(2,96,267.75)
Reversal of Opening DTL	3,499.92	-	-	-	3,499.92	3,499.92	-
Tax assets (Liabilities) (Net)	(2,45,110.12)	2,647.72	5,804.67	-	(2,36,657.73)	59,610.02	(2,96,267.75)

(e) Movement in deferred tax balances

(Rs in Lakhs)

Particulars	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	31 March 2023 Net	31 March 2023 Deferred tax asset	31 March 2023 Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,89,715.84)	(335.21)	-	-	(2,90,051.04)	-	(2,90,051.04)
Intangibles Assets	(192.14)	(96.87)			(289.01)	-	(289.01)
Right of Use Assets and its lease liability	175.81	(3,094.44)	-	-	(2,918.64)	-	(2,918.64)
Transaction Cost for Borrowings	820.34	-	-	-	820.34	820.34	-
Employee benefits	27,216.50	3,967.91	457.38	-	31,641.79	31,641.79	-
Provisions	963.09	-	-	-	963.09	963.09	-
Government grant	1,232.21	596.38	-	-	1,828.59	1,828.59	-
Investment in government security	1,547.55	68.88	-	-	1,616.43	1,616.43	-
Other items	7,778.41	-	-	-	7,778.41	7,778.41	-
Tax assets (Liabilities)	(2,50,174.11)	1,106.66	457.38	-	(2,48,610.03)	44,648.66	(2,93,258.69)
Reversal of Opening DTL	3,499.92	-	-	-	3,499.92	3,499.92	-
Tax assets (Liabilities) (Net)	(2,46,674.15)	1,106.66	457.38	-	(2,45,110.11)	48,148.58	(2,93,258.69)

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

Note No. 37

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost:

(Rs in Lakhs)

Particulars	31.03.2024 Amortised Cost	31.03.2023 Amortised Cost
Non -current financial Assets		
Investments	1,44,547.66	1,26,680.86
Loans #	136.93	137.35
Current Financial assets		
Investments	12,219.10	2,739.24
Loans #	313.05	265.35
Other Financial Assets #	22,178.36	12,741.43
Total	**1,79,395.11**	**1,42,564.22**
Non - current Financial Liabilities		
Borrowings #	3,17,978.72	3,96,297.24
Other non - current Financial Liabilities #	1,33,821.61	1,40,118.70
Current Financial liabilities		
Borrowings #	85,557.68	87,354.53
Trade Payables #	32,375.00	24,533.16
Other Financial Liabilities #	11,926.25	12,662.59
Total	**5,81,659.26**	**6,60,966.22**

The above amounts are considered at cost

MSETCL has identified financial risk and categorized them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from customers and investment securities. MSETCL establishes the policy for allowance for expected credit loss and impairment that represents its estimate of losses in respect of trade, other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amounts.

Trade receivables:

As per the accounting policy, MSETCL has determined the allowance of expected credit loss on trade receivables arising out of its business of primary electricity transmission utility in the state of Maharashtra and taking into consideration its base of customers comprising of distribution Licensees, Wheeling of power and receivables from other services including STU and allied servies which contains major amounts to be recovered from fellow subsidiairies or entities which are also public sector entities

Major Trade receivables of MSETCL are of a short duration and do not carry any contractual rate of interest unless there is a default in payment. Even in such circumstances when a Transmission System User (TSU) consumer pays the arrears, the interest is the last element to be recovered. Accordingly, effective interest rate of trade receivables is considered to be negligible and discounting of expected cash shortfalls to reflect the time value of money are considered to measure the expected credit losses

The Company works out the expected credit losses of trade receivables (which are presently considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables from services as described above. **However MSETCL, after considering the behaviour pattern of the customers has not made the provision for expected credit loss, other than for the identified doubtful receivables.**

The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

Trade Receivable ageing Schedule as at 31 March 2024

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered Good	1,13,318.54	6,161.40	27,275.68	13,018.96	1,26,956.13	2,86,730.70
(ii) Undisputed Trade Receivables - Increased Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Increased Credit Risk	-	-	-	-	11,613.59	11,613.59
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
TOTAL	**1,13,318.54**	**6,161.40**	**27,275.68**	**13,018.96**	**1,38,569.72**	**2,98,344.29**
Less: Allowance for bad and doubtful debts - (Disputed + Undisputed)	-	-	-	-	11,613.59	11,613.59
TOTAL	**1,13,318.54**	**6,161.40**	**27,275.68**	**13,018.96**	**1,26,956.13**	**2,86,730.70**

Trade Receivable ageing Schedule as at 31 March 2023

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered Good	1,44,989.52	1,568.54	14,111.18	75,188.21	1,40,906.09	3,76,763.54
(ii) Undisputed Trade Receivables - Increased Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Increased Credit Risk	-	-	-	-	11,613.59	11,613.59
(vi) Disputed Trade Receivables - Credit Impaired						-
TOTAL	**1,44,989.52**	**1,568.54**	**14,111.18**	**75,188.21**	**1,52,519.68**	**3,88,377.13**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	11,613.59	11,613.59
TOTAL	**1,44,989.52**	**1,568.54**	**14,111.18**	**75,188.21**	**1,40,906.09**	**3,76,763.54**

1. There are no trade or other receivable which are either due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

2. Trade receivables are non-interest bearing.

Trade Payable Ageing Schedule as at 31 March 2024 **(Rs in Lakhs)**

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
(i) MSME	2,528.24	30.07	0.94	0.10	2,559.35
(ii) Others	19,193.86	243.82	196.48	10,181.49	29,815.65
Disputed Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
TOTAL	**21,722.10**	**273.89**	**197.42**	**10,181.59**	**32,375.00**

Trade Payable Ageing Schedule as at 31 March 2023 **(Rs in Lakhs)**

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
(i) MSME	383.62	9.39	23.90	13.22	430.13
(ii) Others	13,206.51	123.65	2,055.81	8,717.06	24,103.03
Disputed Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
TOTAL	**13,590.13**	**133.04**	**2,079.71**	**8,730.28**	**24,533.16**

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company: **(Rs in Lakhs)**

Particulars	As at 31.03.2024	As at 31.03.2023
Amount remaining unpaid to any supplier at the end of accounting year		
Principal	2,559.35	430.13
Interest	19.91	49.35
Total	**2,579.26**	**479.48**

Liquidity risk

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

(i) Financing arrangements

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

(ii) Maturities of financial liabilities

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

(Rs in Lakhs)

Particulars	Contractual cash flows					
	31.03.2024			31.03.2023		
	Upto 1 year	2-3 years	More than 3 years	Upto 1 year	2-3 years	More than 3 years
Non-derivative financial liabilities						
Borrowings	86,595	1,34,181	1,82,760	87,382	1,55,992	2,40,278
Total	**86,595**	**1,34,181**	**1,82,760**	**87,382**	**1,55,992**	**2,40,278**

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

Currency risk:

Interest rate risk exposure:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(Rs in Lakhs)

Particulars	Carrying amount	
	31.03.2024	31.03.2023
Fixed-rate instruments		
Financial assets	1,56,766.76	1,29,420.10
Financial liabilities	4,897.16	5,865.02
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	3,98,639.24	4,77,786.75

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs in Lakhs)

Particulars	Profit or Loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2024		31.03.2023	
Floating rate borrowings	996.60	(996.60)	1,194.47	(1,194.47)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	996.60	(996.60)	1,194.47	(1,194.47)

Note 38 A : Details of Associates

Name of Associate	Country of Incorporation	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
				As at 31st March 2024	As at 31st March 2023
Equity Shares					
Jaigad Power Transco Ltd (JPTL)	India	Transmission of electricity	Mumbai	26.00%	26.00%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	India	Making available optical fibre capacity on lease	Mumbai	49.00%	35.02%

The above entities have share capital consisting solely of equity shares, which are held directly by the Company. The proportion of ownership interest is the same as the proportion of voting rights held.

The Company has agreement with the above entities that the profits of these entities cannot be distributed without the Company's consent. The Company does not 'foresee giving such consent at the reporting date.

Preference Shares

Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	0.00%	100.00%

During the year the company has redeemed its Preference Shares pertaining to MTCIL for Cash Consideration. MTCIL has issued an Right Issue which was subscribed by the Company for Cash , there by increasing its shareholding in MTCIL.

Note 38 B : Aggregate Summarised Financial Information of Associates that are not individually material

(Rs in Lakhs)

Associates	Jaigad Power Transco Ltd (JPTL)		Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Carrying amount of Investment in Equity Shares	3,575.00	3,575.00	1,760.92	880.46
Carrying amount of Investment in Preference Shares			-	880.46
Company's Share of Profit or Loss from Continuing Operations	838.66	852.95	1,548.12	756.57
Company's share in other comprehensive income	(0.31)	0.22	-	-
Company's share in Total comprehensive income	**838.35**	**853.17**	**1,548.12**	**756.57**

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Aggregate carrying amount of the Company’s interest in these Associates	5,335.92	5,335.92
Carrying amount of the Company’s interest in these Associates	5,335.92	5,335.92

Note 38 C : Disclosure of Additional Information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013.

(Rs in Lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share of Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2023-24		2023-24		2023-24		2023-24	
	As % of Consolidated net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit /(Loss)	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent Company								
Maharashtra State Eletricity Transmission Company Limited	99.32%	15,92,644.31	98.67%	1,77,646.02	100.00%	10,806.68	98.59%	1,66,839.34
Associate/Joint Venture								
Jaigad Power Transco Ltd (JPTL)	0.43%	6,911.11	0.47%	838.66	0.00	0.31	0.50%	838.35
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	0.25%	3,989.99	0.86%	1,548.12	0.00%	-	0.91%	1,548.12
Total	**100.00%**	**16,03,545.41**	**100.00%**	**1,80,032.80**	**100.00%**	**10,806.99**	**100.00%**	**1,69,225.81**

(Rs in Lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share of Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2022-23		2022-23		2022-23		2022-23	
	As % of Consolidated net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit /(Loss)	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent Company								
Maharashtra State Eletricity Transmission Company Limited	99.30%	14,26,037.86	98.47%	1,03,668.17	100.03%	851.52	98.46%	1,02,816.65
Associate/Joint Venture								
Jaigad Power Transco Ltd (JPTL)	0.55%	7,856.83	0.81%	852.95	-0.03%	(0.22)	0.82%	853.16
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	0.15%	2,137.38	0.72%	756.57	-	-	0.72%	756.57
Total	**100.00%**	**14,36,032.07**	**100%**	**1,05,277.69**	**100.00%**	**851.30**	**100%**	**1,04,426.39**

Note No 38 D

Interest in Associates/Joint Venture

Name of entity	Place of business/ country of incorporation	% Ownership interest	Relationship	Accounting Method	Carrying Value	
					As at 31.03.2024	As at 31.03.20223
Jaigad Power Transco Ltd (JPTL)	Mumbai	26%	Associates	Equity Method	6843.32	7613.71
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Mumbai	49%	Associates	Equity Method	3178.88	973.11
Total equity accounted investment					**10022.20**	**8586.83**

MSETCL has a 26% (PY - 26%) interest in Jaigad Power Transmission Ltd (JPTL), a Associate/Joint venture engaged in the transmission of electricity and 49% (PY - 35.02%) interest in Maharashtra Transmission Communication Infrastructure Limited (MTCIL), a Associate/Joint venture engaged in making available optical fibre capacity on lease.

MSETCL's interest in JPTL & MTCIL ('Associate/Joint Venture') is accounted for using the equity method in the Consolidated Financial Statements. Summarised financial information of the Associate/Joint Venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

a) Summarised Balance Sheet **(Rs in Lakhs)**

Particulars	JPTL		MTCIL	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Proportion of the Company's ownership (%)	**26.00%**	**26.00%**	**49.00%**	**35.02%**
Current Assets	7,053.68	8,310.79	27,679.97	17,772.70
Non Current Assets	20,273.98	23,123.92	25,981.11	20,106.50
Total Assets (A)	**27,327.66**	**31,434.71**	**53,661.08**	**37,879.20**
Current Liabilities	722.66	1,191.05	6,031.36	4,272.50
Non Current Liabilities	23.82	25.07	39,486.88	29,244.70
Total Liabilities (B)	**746.48**	**1,216.12**	**45,518.24**	**33,517.20**
Net Assets (A)-(B)	**26,581.18**	**30,218.59**	**8,142.84**	**4,362.00**
Proportion of the company's ownership	**6,911.11**	**7,856.83**	**3,989.99**	**1,527.57**
Add/ (less) : Dividend paid	-	-	-	-
Add/ (less) : Share in Profit/(Loss) for all previous years	(67.79)	(243.11)	(811.11)	(554.46)
Add/ (less) : Bonus Shares issued	-	-	-	-
Carrying amount of investments	**6,843.32**	**7,613.72**	**3,178.88**	**973.11**

b) Summarised Statement of Profit and Loss

(Rs in Lakhs)

Particulars	JPTL As at 31.03.2024	JPTL As at 31.03.2023	MTCIL As at 31.03.2024	MTCIL As at 31.03.2023
Proportion of the Company's ownership (%)	**26%**	**26%**	**49%**	**35.02%**
I. Revenue from operations	6,892.06	7,084.39	6,285.87	4,177.70
II. Other Income	682.79	608.38	-	195.50
III. Total Income (I+II)	**7,574.85**	**7,692.77**	**6,285.87**	**4,373.20**
EXPENSES				
IV. Repair & Maintenance Expenses	-	-	-	-
V. Purchase of Traded Goods	-	-	9.46	23.20
VI. Employee benefits expense	180.70	173.03	-	14.80
VII. Finance costs	79.02	103.16	(1,736.45)	(809.90)
VIII. Depreciation and amortization expense	2,941.90	2,928.36	702.09	606.10
IX. Other expenses	464.74	513.13	3,080.43	1,978.00
X. Total expenses (IV to IX)	3,666.36	3,717.68	2,055.53	1,812.20
XI. Profit/(loss) before tax (III - X)	**3,908.49**	**3,975.09**	**4,230.34**	**2,561.00**
XII. Tax expense:				
(1) Current tax	(682.89)	(694.53)	(308.37)	(400.60)
(2) Current tax- Previous years				
(3) Deferred tax	-	-	(762.54)	-
Profit/(Loss) for the year (XI - XII)	3,225.60	3,280.56	3,159.44	2,160.40
A. Company's share of Profit/(Loss) for the year in the proportion of Company's Investment	838.66	852.95	1,548.12	756.57
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss	(1.43)	1.02	-	-
- Remeasurement of defined benefit plans				
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.25	(0.18)	-	-
XIII. Other Comprehensive Income for the year	**(1.18)**	**0.84**	-	-
B. Company's share of Profit from Other Comprehensive Income in the proportion of Company's Investment	**(0.31)**	**0.22**	-	-
Total Comprehensive Income for the year (A + B)	**838.35**	**853.16**	**1,548.12**	**756.57**

c) Share of profits from associates and joint ventures

(Rs in Lakhs)

	As at 31.03.2024	As at 31.03.2023
Profit before tax	8,138.83	6536.09
Income tax	(991.26)	(1,095.13)
Profit for the year	7,147.57	5,440.96
Other comprehensive income	(1.18)	0.84
Total comprehensive income	7,146.39	5,441.80
Group's share of profit for the year	2,386.47	1,609.74

Note 39: Assets hypothecated / pledged as security

The carrying amount of assets hypothecated / mortgaged as security for current and non-current borrowings are: **(Rs in Lakhs)**

	As at 31st March 2024	As at 31st March 2023
Security created in respect of Non-current Borrowings		
Property, plant and equipment excluding leasehold land	15,31,782	15,31,782
Security created in respect of Current Borrowings		
i) Fixed Deposit Receipts	20,000	20,730
ii) Post Dated Cheques	-	-
Total assets as security	**15,51,782**	**15,52,512**

Note 40: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capitaland all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern of the business.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total Debt is defined as aggregate of long-term borrowings, short-term borrowings and current maturities of long term debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Equity	15,92,644.31	14,26,037.85
Total Equity	15,92,644.31	14,26,037.85
Borrowings	4,03,536.40	4,83,651.77
Less: Cash and Cash equivalents	(12,303.49)	(41,707.20)
Total debt	3,91,232.91	4,41,944.57
Overall financing	19,83,877.22	18,67,982.42
Net Debt to Equity Ratio	0.25	0.31

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024.

Note 41: Other Notes

41.1 Contingency Reserve Fund, Special Reserve Fund & Load Despatch Center Empowerment Reserve (LDCD) Fund :

As per directions of MERC vide Order No. 232 of 2023 dated 31st March 2023, the Company for FY 2023-24 has appropriated an amount of Rs. 7,707.00 Lakhs (Previous Year Rs. 7,323.00 Lakhs) towards Contingency Reserve Fund.

An amount of Rs. NIL (Previous Year Rs. NIL) has been appropriated towards Special Reserve Fund.

An amount of Rs. NIL (Previous Year Rs NIL Lakhs apporpriated) has been withdrawn from Load Despatch Center Empowerment Reserve (LDCD) Fund.

41.2 Secured Loans:-

(Rs in Lakhs)

	Loan Secured by			
Name of the Institution	Guarantee from State Government	Hypothecation against future assets	Mortgage against existing assets	Total
Rural Electrification Corporation Limited (REC)	NIL	2,27,376.11		2,27,376.11
Power Finance Corporation Limited (PFC)	NIL	41,365.00		41,365.00
ICICI BANK	NIL	10,862.57		10,862.57
Canara Bank	NIL	10,191.48		10,191.48
Bank of India BOI-1	NIL	1,961.89		1,961.89
Bank of India BOI-2	NIL	24,362.56		24,362.56
Bank of Maharashtra	NIL	50,016.79		50,016.79
Bank of India BOI-3	NIL	19,474.54		19,474.54
Interest Free GoM Loan	12,000.00	-	-	-

Repayment Schedule of Long Term Loan Liabilities

Particulars	Rural Electrification Corporation	Power Finance Corporation	Bank of India-1	Bank of India-2	Bank of India-3	Canara Bank	Interest Free GoM Loan	KFW	Bank of Maharashtra	ICICI BANK
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Special Assistance	Term Loan	Term Loan	Term Loan
Loan Amount	Up to Borrowing Limit Rs.5,69,400 Lakhs	Up to Borrowing Limit Rs.3,97,600 Lakhs	Rs 30,000 Lakhs	Rs 75,000 Lakhs	Rs 50,000 Lakhs	Rs 50,000 Lakhs	Rs.12,000 Lakhs	Rs 10,250 Lakhs (12 million Euro)	Rs 1,20,000 Lakhs	Rs 50,000 Lakhs
Period (Term)	13 Years (3+10)	18 Years (3+15)	13 Years (3+10)	13 Years (3+10)	13 Years (3+10)	13 Years (3+10)	50 Years	15 Years (5+10)	13 Years (3+10)	6.5 Years
Moratorium Period	3 Years	3 Years	3 Years	3 Years	3 Years	3 Years	-	5 Years	3 Years	Nil
Repayment	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing	-	Repayment is ongoing	Repayment is ongoing	Repayment is ongoing
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Refinancing of Loan	Refinancing of Loan
Rate of Interest (Floating) at year end	10.00%	10.00%	8.28%	8.80%	8.40%	8.70%	-	1.27%	8.40%	9.50%
			With annually reset	With reset Monthly	With reset Monthly	With annually reset			With annually reset	With Quarterly reset
Terms of Payment	Yearly	Quarterly	20 Half yearly	40 Quarterly equal Installment	40 quarterly installment	40 quarterly installment	-	Semi Annually	Monthly	Monthly Quarterly & Yearly
Upfront Fees	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commitment Charges	Upto 500 Cr -Nil Above 500 Cr - 0.25% P.A. on undrawn Amount of Quarter till the Date of Actual Drawal	Upto 500 Cr - Nil Above 500 Cr- 0.25% P.A. on undrawn Amount of the Previous Quarter from the first day of following Quarter till the Actual Date of Drawal	Nil	Nil	Nil	Nil	Nil	0.20% pa on undisbursed amount	Nil	Nil
Margin Money Requirement (Equity) From 01.04.2017	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	Nil	20%	Nil	Nil

Foreign Currency Loan

Loan Secured by	KFW (Rs.) in Lakhs	EURO in Million
Guarantee from Central Government	5.922.40	6.55

Note No 42 : Contingent Liabilities and Contingent assets

1. Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges, Interest for delayed payments made, under MSME Act, etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of Rs 17,537.82 Lakhs (P.Y. Rs.40,824.74 Lakhs) has been estimated.

(ii) Land/ Crop compensation & Enhancement in Compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of Rs 11,671.51 lakhs (P.Y. Rs.22,051.15 Lakhs) has been estimated.

(iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of Rs 11,223.66 Lakhs (P.Y. Rs. 11,228.36 Lakhs) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to Rs. 2,29,889.07 Lakhs (P.Y. Rs. 75,943.93 Lakhs) are being contested before various Appellate Authorities. Many of these matters are disposed of in favour of the company but are disputed before higher authorities by the concerned departments.

(v) Financials Guaranttees

MSETCL has provided financial guarantees in the form of Bank Guarantee's amounting to Rs. 32.95 lakhs (P.Y. Rs. 32.95 Lakhs) to various Authorities for construction of Transmission Sub-stations and Transmission Lines.

(vi) Others

a) Other contingent liabilities pertaining to Employee claims amounts to Rs. 211.47 Lakhs (P.Y. Rs.305.11 Lakhs) .

b) Some of the beneficiaries have filed appeals against the tariff orders of the MERC. The amount of contingent liability in this regard is Rs. 3,17,092.83 Lakhs (PY Rs.3,26,699.91 Lakhs)

Note 43 : Commitments

Expenditures committed for at the end of reporting year is as follows:

(Rs. In lakhs)

A	Capital Commitments Not Recognised as Liabilities	31.03.2024	31.03.2023
	Property, Plant and Equipment	6,57,170.89	5,19,959.01
	Less: Capital Advances	(1,107)	(602)
	Net Capital Commitments	6,56,064.13	5,19,356.88

(Rs. In lakhs)

B	Corporate Social Responsibility	31.03.2024	31.03.2023
	Unspent CSR Liability	8,780.00	8,312.19

Note 44:

Balances of Trade Receivables, Financial assets - Loans and advances are subject to confirmation and reconciliation. The Company is taking necessary steps for reconciliation and confirmation of the same.

Note 45:

The Company generally makes payment to its creditors within a period of 45 days as stipulated in the Micro, Small and Medium Enterprise Act 2006. The Company has not provided any interest payable to Micro and Small Enterprise as required by the aforesaid Act as claims are pending due to non submission of details/documents from Vendors.

Note 46:

The group Company's Receivables & Payables are subject to confirmation and reconciliation. These items interalia includes an adjustments. It's long pending inter-unit advise payable balances of Rs 22,697.26 lakhs (Receivables Rs 19,679.53 lakhs upto FY 2017-18 and Rs. 324.29 Lakhs upto FY 2019-20. Payables Rs 40,863.03 lakhs upto FY 2017-18 and Rs.1,838.05 Lakhs upto FY 2019-20 i.e Net payable Rs 22,697.26 lakhs) pertaining to MSEDCL through the Receivable against Transmission Charges from MSEDCL by Rs.21,183.50 in FY 2017-18 and Rs.1,513.76 Lakhs in FY 2019-20.

Note 47:

In accordance with Ind AS 36 - Impairment of assets, impairment analysis of assets of Transmission activity of the Company by evaluation of its Cash Generating Units, was carried out by outside agency in the year 2006-07 and since recoverable was more than the carrying amount thereof, no impairment loss was recognised.

Note 48:

MSETCL is consistently following its accounting policy regarding recognition of other income on 'accrual basis except when ultimate realization of such income is uncertain' as mentioned in Note no. 2.15 which is in commensurate with applicable accounting standard. As such Delayed Payment Charges (DPC) being part of other income is recognized only to the extent of realized amount. Thus by adopting this policy the accounts of each financial years have been finalized on the basis of which Truing-up (Provisional / Final) is done by MERC as mentioned in clause 37.1 of MYT Regulations 2019 (applicable upto FY 2024-25).

MERC has done truing-up for every financial year based on the accounts and not adjusted the amount of Delayed Payment Charges upto truing up of FY 2014-15 as the same was not accounted for in the accounts. However, MERC while carrying out provisional true-up for FY 2015-16 has reduced ARR by Rs.85,499.00 lakhs towards Delayed Payment Charges related to the earlier financial years including FY 2015-16 which have been not accounted for in accounts as per accounting policy. Apart from this adjustment, MSETCL is entitled for its legitimate ARR of Rs.3,94,437.00 lakhs as is evident from MERC order dtd. 7th July 2016 in case no. 31 of 2016. To match with this entitled ARR accrued in FY 2016-17, MSETCL has accounted for Rs.75,476.11 lakhs as other income being shortfall in ARR which has resulted on account of adjustment towards DPC in FY 2016-17. Further, MSETCL has filed an appeal before APTEL against the order of MERC in case No 31 of 2016 vide Appeal No 67 of 2017.

Considering the above adjustment, an amount of DPC accumulated as on 31st March 2024 Rs. 2,61,524 lakhs have not been booked as per consistent accounting policy followed.

Note 49:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are as mentioned in below table. A CSR Committee has been formed by the Company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Accordingly, Company has made provision of Rs. 2,960.54 lakhs in C.Y. (P.Y. Rs 2,247.39 lakhs) u/s 135 (Corporate Social Responsibility) of Companies Act 2013. In accordance with Circular no. 14 dated 24 August 2021 issued by the Ministry of Corporate Affairs regarding clarifications on CSR related work, the Company has transferred Rs 8,780.00 upto April 2024 to a seperate bank account 'Unspent CSR Account.

(Rs. In lakhs)

Particulars	2023-24	20222-23
Amount required to be spent as per Section 135 of the Companies Act, 2013	8,312.19	6,765.06
Add : Provision made during the year	2,960.54	2,247.39
Amount spent during the year		
Education, Sports and Health	570.21	256.36
Social Sector, Contribution to relief fund & Agriculture	232.09	-
Infrastructure & Electrification	1,690.43	443.90
Outstanding CSR Liability to be spent	8,780.00	8,312.19

(Rs. In lakhs)

Particulars	2023-24	20222-23
Gross Amount required to be spent as per Section 135 of the Act	2,960.54	2,247.39
Add: Amount Unspent from previous years	8,312.19	6,765.06
Total Gross amount required to be spent during the year	**11,272.73**	**9,012.45**
Amount approved by the Board to be spent during the year	11,272.73	9,012.45

(Rs. In lakhs)

Particulars	2023-24	20222-23
Amount spent during the year on		
(i) Construction/acquisition of an asset	2,492.73	700.26
(ii) On purposes other than (i) above -	-	

Details related to amount spent / unspent **(Rs. In lakhs)**

Particulars	2023-24	20222-23
Amount spent during the year		
Education, Sports and Health	570.21	256.36
Social Sector, Contribution to relief fund & Agriculture	232.09	-
Infrastructure & Electrification	1,690.43	443.90
Accrual towards unspent obligations in relation to:		
Ongoing projects	8,780.00	8,312.19
Other than Ongoing projects	-	-
TOTAL	**11,272.73**	**9,012.45**

Note 50:

In order to facilitate integration & evacuation of large scale renewable energy generation (Solar / Wind) envisaged to come up in renewable energy rich state MNRE & Govt of India has undertaken the Green Energy Corridor for seamless evacuation of Green Energy in 12 th Five Year plan .Under the approved DPR 27 No of transmission elements (220 kV/132 kV transmission Lines with End Bays) are sanctioned under various zones. The original cost of scheme was Rs. 367 Cr.

The agreement is executed on 1.12.2017 for loan of EUR 12,000,000 between KFW Frankfurt am Main ("KfW")

The said scheme is proposed to be financed as: -

MSETCL Equity - 20 %

National Clean Energy Fund (Grant) - 40 %

KFW (German Development Bank) Loan- 40 % (12 Million EUROs)

GEC-I works were tenderized for 19 elements (excluding 8 lines & 16 bays) for an amount of Rs. 168.72 Cr. against original

DPR Scheme cost of Rs. 367 Cr. Accordingly the funding of Grant, Debt & Equity is as follows:-

20% MSETCL Equity - Rs. 33.74 Crs.

40% National Clean Energy Fund (Grant)- Rs. 67.49 Crs.

40% KFW (German Development Bank) Loan- Rs. 67.49 Crs.

The MSETCL has lodged its first claim for disbursement of loan with Office of CAAA (Controller of Aid Accounts and Audit Division, Ministry of Finance) which in turn lodge the same with KfW, Germany for disbursement. On receipt of claim from CAAA, KFW releases the disbursement to CAAA and routed from CAAA to State government. The State government on receipt of KFW Loan, issues GR after Budget approval and transfers the amount of loan to MSETCL's Bank Account.

The first disbursement was made by KfW on 8-May-2019 before which nothing was requested as no billing was made by vendors related to work allocated for kfw loan . The disbursement of loan depends upon the progress of work of project. Upto 31-Mar-2024 the MSETCL has received loan amount of EURO 82,63,220 (Rs.67,69,20,776) and Repayment is made upto March 2024 of EURO 17,13,000 (Rs.15,42,74,722)

As per clause 3, of Loan Agreement Borrower has to pay non refundable Commitment Fee of 0.20% per annum on undisbursed Loan amount. Kfw has charged the Commitment fee Rs. 5.76 lakhs (P.Y.Rs. 8.95 lakhs) which is charged to P&L.

Also forex loss on translations at the year end is also debited to P&L amounting to Rs.68 Lakhs (P.Y. of Rs.547 Lakhs) as the exchange risk lies with MSETCL.

Note 51:

Designated Current Account operated and maintained in terms of MERC Regulation pertaining to Third Party Liabilities

MSPC UI (Unscheduled Interchange) Settlement Op. Account (FBSM Pool Account), MSPC (Maharashtra State Power Committee) Reimbursement Op. A/C, MSLDC RE-DSM Op. Account (RE-SDM Pool Account) and MSLDC DSM Pool Op. Account (DSM Pool Account).

The Maharashtra Electricity Regulatory Commission (MERC) had issued a Suo Moto Order in case number of 42 of 2006 on 17th May, 2007 whereby it introduced the Weighted Average System Marginal Pricing (WASMP) based Balancing and Settlement Mechanism. The Maharashtra State Load Despatch Centre (MSLDC) had prepared the Balancing and Settlement Code (BSC) 4th July, 2009 which was approved by the MERC vide its letter dated 26 August, 2009. The BSC was operationalised in the state from 1st August, 2011.

The MERC vide Various Regulations has directed the MSLDC to operate and maintain MSPC UI Settlement Op. Account (FBSM Pool Account),MSPC Reimbursement Op. A/C, MSLDC RE-DSM Op. Account (RE-SDM Pool Account) and MSLDC DSM Pool Op. Account (DSM Pool Account). MSLDC have been assigned the function to maintain there various Regulatory Fund Accounts under the respective Regulations issued by MERC. MSLDC is to manage these Funds as Custodian of these funds as Nodal Agency till some other entity is identified by MERC.

As per MERC order in case no. 42 of 2006 dt. 17.05.2007 clause no. 5.1(g) MSLDC on behalf of State Pool Participants shall collect on weekly basis and make payment towards Settlement of UI (Unscheduled Interchange) charges. Accordingly, MSPC UI Settlement Operative Bank Account is opened in Bank of Maharashtra, Airoli Branch on dt. 11.11.2008,bearing Account No. 20130402907. As per clause No. 5.1(g) MSPC shall open and maintain a bank account to receive/release payments in respect of settlement among State Pool Participants. Also MSLDC had opened one Current Bank Account (New) with Bank of Maharashtra, Airoli Branch on dt. 11.11.2008, bearing Account No. 60029434202 to meet expenditure of MSPC which will be shared by the State Pool Participants i.e. all Distribution Companies in the Intra State.

The MERC has formulated F&S Regulations, namely, Maharashtra Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018. These Regulations are intended to facilitate Grid integration of Wind and Solar energy generated in Maharashtra while maintaining Grid stability and security as envisaged under the State Grid Code and the Act, through forecasting, scheduling and a mechanism for the settlement of deviations by such generators. MERC has notified RE-DSM Regulations on 20.07.2018 and which was to be implemented from 01.07.2019. For that purpose one Current Bank Account (New) was required for Deviation Charges. As per the roles and responsibilities of MSLDC under MERC approved procedure for RE-DSM, vide section 5.5, MSLDC is "To maintain State Deviation Settlement Account for wind and solar generations". In this Account Deviation charges amount will be credited as well as amount will be disbursed from this Bank Account. This bank account needs to be opened in the name of MSLDC and PAN and GST no. of MSETCL shall be used. Accordingly, MSLDC has opened 2nd Third Party Bank Account with Bank of Maharashtra, Airoli Branch on dt. 30.05.2019, bearing Account No. 60331835878.

The MERC had issued a Suo- Motu order in Case No. 42 of 2006 on 17 May, 2007, whereby it introduced the WASMP based Balancing and Settlement Mechanism in Maharashtra. The MERC decided to review the existing Balancing and Settlement Mechanism and to introduce the Deviation Settlement Mechanism in Maharashtra. Subsequently, MERC has notified DSM Regulations on 01.03.2019 and which was to be implemented from 01.04.2020. For that purpose one separate Current Bank Account (New) was required for Deviation charges. As per clause 15 (B) of DSM Regulations, "All payment on account of Charges for Deviation including Additional Charges for Deviation levied under these Regulations and interest, if any, received for late payment shall be credited to the funds called "State Deviation Pool Account" which shall be maintained and operated by the MSLDC in accordance with the provision of these Regulations. In this account, Deviation charges amount will be credited as well as amount will be disbursed from this bank account. This bank account needs to be opened in the name of MSLDC and PAN and GST no. of MSETCL shall be used. Accordingly, MSLDC has opened 3rd Third Party

Bank Account with Bank of Maharashtra, Airoli Branch on dt. 31.12.2019, bearing Account No. 60349865315.DSM Billing through DSM software actually started on 11.10.2021.For this purpose,as per approved office note dt 28.09.2021 4th Third Party current A/c bearing A/c number 60396224159 , Namely "MSLDC DSM POOL OPERATIVE A/C for Link with online bill desk payment Gateway opened & current A/c number 60349865315 is renamed as MSLDC DSM Corpus A/c to sort the reconciliation issues of corpus refunded,forfeitted & adjustments.Further As the MERC Regulation 70 (Multi -Year Tariff)2019 is implemented in Maharashtra ,Generating station shall inject/absorb reactive energy into the grid on the basis of machine capability as per the directions of SLDC.It is the responsibility of SLDC to maintain state Reactive Energy Pool A/c.Hence as per approved note ,MSLDC REACTIVE PooL A/C bearing A/c number 60406305880 is opened.

An amount of surplus funds in the State Deviation Pool Account at the end of the financial year shall be utilized for the purpose of improvements in power system operations, for undertaking such measures and studies for improvement in reliability, security and safety of grid operations, undertaking capacity building and training programs related to system operations and market operations and for such other purposes as may be specified by MERC or for other schemes as may be devised in consultation with National Load Despatch Centre, or Regional Load Despatch Centre, with prior approval of the MERC.

Provided that, the short fall in funds in the State Deviation Pool Account; if any, at the end of the weekly settlement period shall be recovered by levy of additional charges from the State Entities in proportion to Net Deviation Charges Payable by concerned State Entity for the applicable weekly settlement period through supplementary bills.

Provided further that MSLDC shall prepare scheme (S) and shall submit annual plan for utilization of surplus funds and implement the scheme (S) only upon approval of the MERC.

As per Clause 1(2), These DSM Regulations except commercial arrangements, Deviation Charges, Additional Charges for Deviation and penal action shall come into force on the date of notification in these Regulations in the Official Gazette. Provided that the commercial arrangements specified under Clause (9) and (10) of these DSM Regulations, and the related provisions regarding Deviation Charges, Additional Charge for Deviation and penal actions if any shall come into force from date to be notified separately through Order, which shall not be later than 1st April 2020. Provided further that until notification of such date as referred here in above under first proviso, the Final Balancing and Settlement Mechanism (FBSM) as approved by Commission under Order in Case 42 of 2006 along with relevant amendments from time to time shall be in operation for the purpose of energy accounting and deviation settlement.

These funds are equally matched with fund balance in the Third Party Bank Accounts in the current account. As on 31.03.2024 the total balance in these designated Third Party Bank Accounts was amount to Rs. 8,552.83 Lakhs (Previous Year Rs. 21,266.10 Lakhs) as against the Third Party liability in these funds amounting to Rs. 8,552.83 Lakhs (Previous Year Rs. 21,266.09 Lakhs).These total amount of Rs 22,209.10 Lakhs (opening balance of third party Account) bifurcated as REDSM Current A/c, DSM current A/c, Designated Current A/c & MSPC reimb current A/c on 1.04.2022 .Further DSM current A/c renamed as DSM corpus A/c & additional current A/c namely MSLDC DSM POOL Operative A/c opened .Total of five current A/c have closing Balance as on 31.03.2024 Rs 8,552.83 Lakhs.

In the Suo-moto order dt 02.08.2022 commission accepted the recommendation of working group and views of MSPC regarding investment of corpus of DSM Pool Amount in Government securities or FD in nationalised Bank(considering liquidity requirements)through MSETCL PAN and a separate saving bank A/c with MSETCL PAN and provide the credit of accrued interest income net of tax (as applicable) to the benefit of DSM PooL Account.In view of this Decision regarding investing the corpus Amount in FD or Government securities needs to be taken for further process of investment.Finance section prepared elaborated PPT of both the investment methods.It was proposed to conclude above issue as an Agenda item in forthcoming MSPC meetingfor getting final decision for investment of corpus funds & mode of investment.

Note 52:

Prior Period Depreciation(Net) of Rs. 1,358.48 lakhs (P.Y. Rs. 9,357.17 lakhs) due to late receipt of WRC and late receipt of Previous year Other Income Rs 133.31 lakhs (P.Y Rs 77.23 lakhs) have not been recasted.

Note 53:

Depreciation for Cost of Land Development which was charged @ 3.34% in line with Other Civil Works till FY 2022-23 have been recomputed @ 5.28% retrospectively in line with depreciation for Sub-station. Since the differential amount is immaterial so the same have not been restated in the Financial Statements.

Note 54 : Additional disclosure as per ammened schedule III (Division II) of the Companies Act 2013

i) There are no amount of dividends proposed to be distributed to equity shareholders for the year ended March 31, 2024

ii) There are no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions for the year ended March 31, 2024.

iii) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2024.

(iv) The Company has not granted any Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties either severally or jointly with any other person during the year ended March 31, 2024.

iv) The Company does not have any Intangible assets under development for the year ended March 31, 2024.

v) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

vi) The Company has not raised any borrowings from banks or financial institutions on the basis of security of current assets during the year ended March 31, 2024.

vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

viii) The Company has transactions with struck off companies. - Refer Note no.56

ix) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.

x) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

xi) Financial Ratios - Refer Note no.57

xii) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act during the year ended March 31, 2024.

xiii) Utilisation of borrowed funds and share premium :

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

xiv) There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending March 31, 2024 and March 31, 2023 which needs to be recorded in the books of account of the Company.

xv) The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2024.

Note 55:

Previous year's figures have been regrouped wherever necessary for appropriate presentation of Financial Statements to comply with the provisions of Schedule III as per the Companies Act, 2013.

Note No.56 :
The Company has transactions with the following Companies Struck Off under Section 248 of the Companies Act, 2013, identified based on the data available with the Company.

Name of the Struck Off company	Nature of Transaction with Struck Off Company	Balance Outstanding as at 31st March 2024	Relationship with the Struck Off Company	Balance Outstanding as at 31st March 2023	Relationship with the Struck Off Company
JSW ENERGY (RATNAGIRI) LTD. *	Receivable	1,067.80	Customer	5.16	Customer
LOKMANGAL AGRO INDUSTRIES LTD.	Receivable	0.21	Customer	0.21	Customer
TOPWORTH URJA & METALS LTD.	Receivable	1.67	Customer	1.67	Customer
Wind World India Ltd.	Receivable	21.54	Customer	21.54	Customer
VATSALA WIND FARMS *	Receivable	-	Customer	0.07	Customer
JSW Power Trading Company Ltd. *	Receivable	0.43	Customer	0.92	Customer
Vidarbha Industries Power Ltd.	Receivable	2.38	Customer	2.38	Customer
The Tata Steel BSL Ltd *	Receivable	0.45	Customer	0.23	Customer
Asian Colour Coated Ispat Ltd. *	Receivable	-	Customer	0.68	Customer
ADANI POWER MAHARASHTRA LTD. *	Payable	(31.42)	Vendor	(31.42)	Vendor
ADITYA BIRLA INSULATORS *	Payable	(62.35)	Vendor	(62.35)	Vendor
ADITYA VIDYUT APPLIANCES LTD	Payable	0.90	Vendor	0.90	Vendor
ALSTOM T&D INDIA LIMITED (AREVA) *	Payable	66.64	Vendor	66.64	Vendor
BENNETT COLEMAN & CO. LTD.	Payable	-	Vendor	0.36	Vendor
D M ENTERPRISES	Payable	0.02	Vendor	6.12	Vendor
DIAMOND CARRIERS	Payable	3.98	Vendor	3.67	Vendor
EASUN REYROLLE LTD	Payable	7.81	Vendor	84.45	Vendor
HINDUSTHAN VIDYUT PRODUCTS LIMITED	Payable	10.82	Vendor	10.82	Vendor
KEDAR INFRASTRUCTURE DEVELOPERS	Payable	12.11	Vendor	16.86	Vendor
LUSTRE ENGINEERING CORPORATION	Payable	4.39	Vendor	11.29	Vendor
S. P. POWER ENTERPRISES	Payable	27.71	Vendor	18.35	Vendor
SCT LIMITED *	Payable	(0.09)	Vendor	(0.09)	Vendor
SIVANANDA ELECTRONICS	Payable	(0.01)	Vendor	(0.01)	Vendor
TIRUPATI ENGINEERS	Payable	22.99	Vendor	17.62	Vendor
UNITED INDUSTRIES	Payable	56.63	Vendor	56.63	Vendor
UNIVERSAL INDUSTRIAL CORPORATION	Payable	-	Vendor	0.90	Vendor
VICTRANS ENGINEERS	Payable	16.75	Vendor	16.75	Vendor
VIMAL CONSTRUCTION	Payable	(0.17)	Vendor	(0.17)	Vendor
VODAFONE CELLULAR LIMITED *	Payable	0.01	Vendor	0.01	Vendor
VODAFONE INDIA LIMITED *	Payable	0.02	Vendor	0.02	Vendor
Shree Renuka Energy Ltd.	Receivable	0.15	Customer	0.15	Customer
G R POWER SWITCH GEAR PVT. LTD.	Payable	2.62	Vendor	(100.00)	Vendor

*Includes Companies which are "Amalgamated" / "Not available for efiling" as per MCA master data

Note 57: Ratio Analysis

Particulars	Formulas	As at 31.03.2024			As at 31.03.2023			% of Variance	Reasons for variance in ratio (> 25%) as compare to previous year
		Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Ratio	Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Ratio		
(a) Current Ratio (in times)	= Current Asset / Current Liabilities	6,78,465.29	2,02,605.82	3.35	5,17,390.65	1,80,426.90	2.87	16.78	
(b) Debt-Equity Ratio (in times)	= (Short term Debt + Long term Debt + Other Fixed Payments)/ Shareholders Equity	4,03,536.40	15,97,330.59	0.25	4,83,651.77	14,30,169.22	0.34	-25.30	loans have been repaid/restructured due to availability of funds
(c) Debt Service Coverage Ratio (in times)	= EBITDA / (Interest + Principal Repayments + Lease Liability Payments during the period)	4,39,150.08	1,28,960.88	341%	3,32,396.21	1,32,303.56	251%	35.54	Increase in EBITA due to increase in Revenue from Operations as per MERC Order
(d) Return on Equity Ratio (ROE) (%)	= (Net Profit after Tax - Preference Dividend , if any) / Shareholders Equity	1,78,201.24	15,97,330.59	11%	1,06,461.35	14,30,169.22	7%	49.87	Increase in Revenue from Operations as per MERC Order
(e) Inventory turnover ratio (in number of days)	= Net Sales / Avg Inventory	6,55,542.37	41,889.25	16	4,89,563.46	32,756.71	15	4.71	Increase in Revenue from Operations as per MERC Order
(f) Trade Receivables turnover ratio (in number of days)	= Revenue from Operations / Average Accounts Receivables	6,55,542.37	3,31,747.12	2	4,89,563.46	3,47,980.67	1	40	
(g) Trade payables turnover ratio (in number of days)	=Total O&M Expenses / Average Trade Payables	2,83,113.33	28,454.08	10	2,38,903.50	24,789.14	10	3.24	
(h) Net capital turnover ratio (in times)	= Revenue from Operations/ Working Capital (Current Assets - Current Liabilities)	6,55,542.37	4,75,859.47	1.38	4,89,563.46	3,36,963.76	1.45	-5.18	
(I) Net profit ratio (%)	=Net Proft / Revenue from Operations X 100	1,67,394.25	6,55,542.37	26%	1,05,610.04	4,89,563.46	22%	18.37	
(j) Return on Capital employed (ROCE) (%)	= (Profit before tax + interest expenses) / Capital Employeed	3,10,163.35	22,37,524.73	14%	1,98,205.91	21,58,893.11	9%	50.99	Increase in Revenue from Operations as per MERC Order
(k) Return on investment.(ROI)(%)	= (Interest Income + Dividend Income) / Average of (Investment + Fixed Deposits + Loans given)	22,912.90	3,08,375.71	7.43%	10,692.88	1,52,639.64	7.01%	6.07	