

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

Annual Report
F. Y. 2016-2017





MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

12th Annual Report for the period of 2016 - 2017

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MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

12th Annual Report for the period of 2016 - 2017

CORPORATE DETAILS

BOARD OF DIRECTORS*		
Sr. No.	NAME OF THE DIRECTOR	DESIGNATION
1.	Shri. Rajeev Kumar Mital, IAS	Chairman & Managing Director
2.	Shri. Arvind Singh, IAS	Director
3.	Shri. G.T. Munde	Director(Operations)
4.	Shri. R.D. Chavan	Director(Projects)
5.	Shri. Vinayak Sathe	Director(Finance)
6.	Smt. Pushpa Chavan	Independent Director
7.	Shri. Vishwas Pathak	Independent Director

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

*As on 26.12.2017

DIRECTORS BRIEF PROFILE

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

Shri Rajeev Mital is 1998 batch IAS officer. He was appointed as Chairman & Managing Director in MSETCL w.e.f. 06.01. 2015. He has worked for Land Revenue Management & District Administration, Government of Maharashtra. From 2004 to 2007 as Collector for Bhandara and Latur Districts. Thereafter he worked in Ministry of Home Affairs & Department of Personnel under Central Government till 2012.

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



Shri Arvind Singh, IAS **Nominee Director**



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

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

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

Shri Ganpat T. Munde was appointed as Director(Operations) of MSETCL w.e.f. 05.08.2017.



Shri. Ravindra D. Chavan
Director(Projects)



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

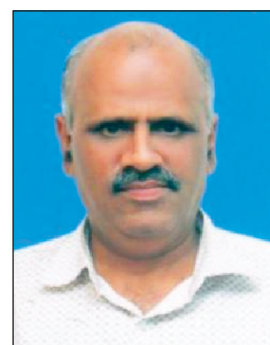
Shri Chavan has rich and varied experience in the power sector for more than 25 years. His experience is in various large size projects execution along with technical, legal, commercial and management issues. He has addressed the bottlenecks of resources, complex MIS systems, use of ERP (SAP) for Business.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

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

Shri. Vinayak Sathe
Director (Finance)

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

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



Smt. Pushpa Chavan
Independent Director

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

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

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



Shri. Vishwas Pathak
Independent Director



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

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

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



MAHATRANSCO

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

Directors' Report

F. Y. 2016-2017

Contents of Directors' Report for F. Y. 2016-2017

Sr. No.	Subject
I.	<u>STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK</u> (A) Maharashtra Transmission System Overview (B) Overview of Journey from formation of Company till March 2017 (C) Transmission licensee function (D) State Grid Operations (E) STU (F) Joint Venture (G) Human Resources
II	<u>DIRECTORS AND KEY MANAGERIAL PERSONNEL</u> (A) Directors (B) Declaration on Independent Directors (C) Key Managerial Personnel (D) Meetings
III	<u>FINANCIAL HIGHLIGHTS</u> (A) Performance of the Company (B) Reserves (C) Change in Share Capital (D) Dividend (E) Internal Controls (F) Subsidiary Company (G) Cost Auditors (H) Statutory Auditors (I) Explanation to the remarks of Statutory Auditors' Report (J) Deposits (K) Particulars of Loans, guarantees or investments (L) Related Party Transactions (M) Change in the Nature of Business, If any
IV	<u>OTHER COMPLIANCES</u> (A) Secretarial Audit Report (B) Risk Management Policy (C) Extract of Annual Return (D) Material Changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the report (E) Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future (F) Transfer of amounts to Investor Education and Protection Fund
V	<u>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO</u>
VI	<u>CORPORATE SOCIAL RESPONSIBILITY (CSR)</u>
VII	<u>DIRECTOR'S RESPONSIBILITY STATEMENT</u>
VIII	<u>ACKNOWLEDGEMENTS</u>

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

Directors' Report

To,

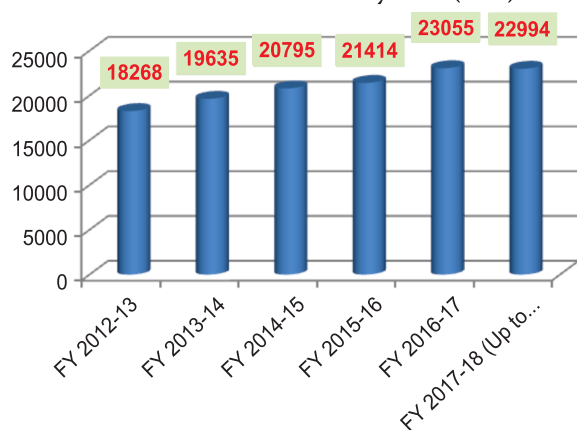
The Members,

We are delighted to present the report on our business and operations for the Financial Year ended March 31, 2017.

I. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

(A) Maharashtra Transmission system overview

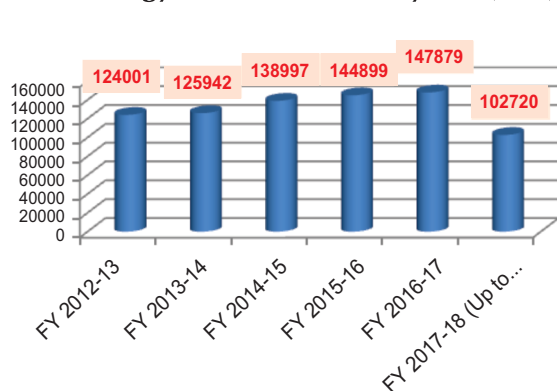
State Demand for last 5 years (MW)



Peak Demand in MW

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17 (Up to 30.11.2016)	FY 2017-18 (Up to 30.11.2017)
State Unrestricted Demand	18268	19635	20795	21414	23055	22994	20951
State CATERED Demand	17268	18803	20424	21064	22517	22994	20951
MSEDCL Demand	15261	17158	17694	18046	19745	19688	18116
MUMBAI Demand	3153	3217	3365	3368	3310	3592	3581

State Energy Catered for last 5 years (Mus)

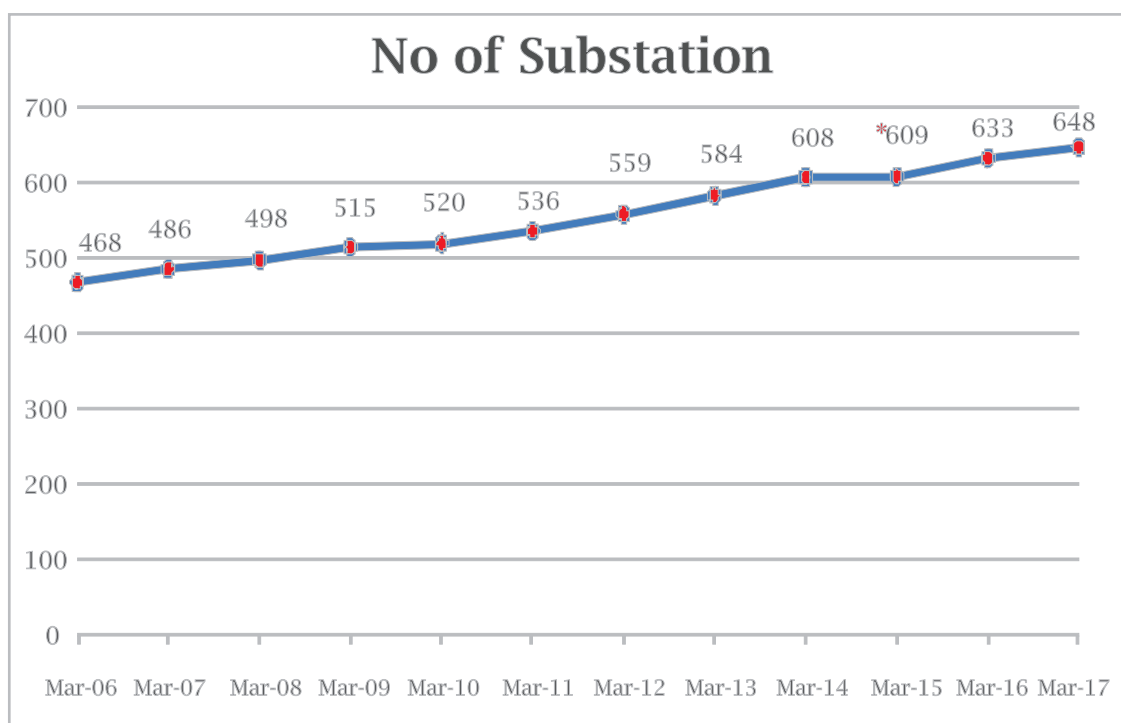


Energy Requirement in Mus

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 (Up to 30.11.2017)	FY 2016-17 (Up to 30.11.2016)
State CATERED Demand	124001	125942	138997	144899	147879	102720	96034
MSEDCL	104585	106461	118774	123870	127220	88046	81710
MUMBAI	19416	19481	20223	21029	20658	14674	14324

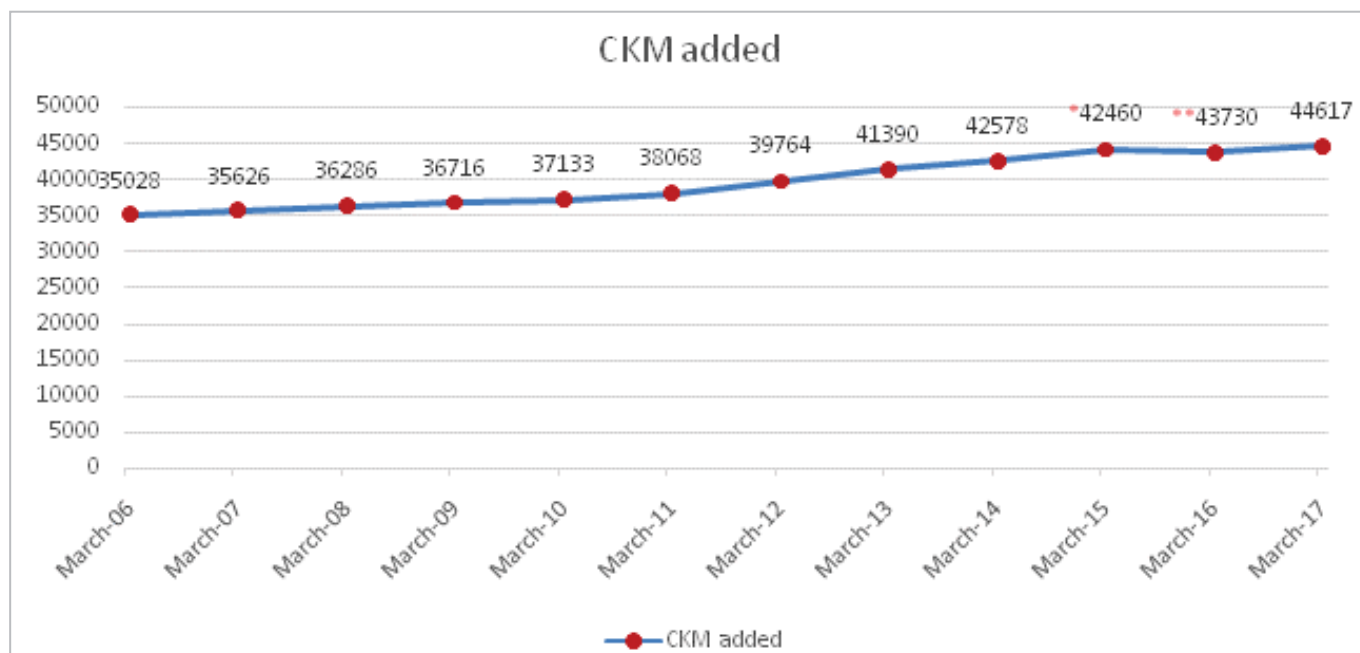
(B) Overview of Journey from formation of Company till March 2017.

We have built and own 652 number of substation as on 31st March 2017 in comparison to 468 Nos of substations in March, 2006 showing a compounded annual growth rate(CAGR) of 3.06%. 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.



** Due to elimination of 23 nos of 66 kV Substations.*

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 44715Ckm as on 31st March 2017, ranging from 66kV to 400 kV and 500kV HVDC lines with CAGR of 2.24 %.



**1747Km of 66kV Line eliminated during the year 2014-15.*

***839Km of 66kV Line eliminated during the year 2015-16.*

The voltage levelwise growth from 2005-2006 till March 2017 is as under:

Sr. No.	Voltage Class	Substations as on (Nos.)		EHV network as on (Ckm)	
		March-2006	March-2017	March-2006	March-2017
1	66 kV	42	7	3270	594.8
2	100 kV	25	38	678	701.356
3	110 kV	31	36	1637	1759.365
4	132 kV	217	315	10084.61	14913.309
5	220 kV	134	219	11478.28	16729.427
6	400 kV	17	30	6375.74	8415.497
7	765KV	0	1	0	0
8	500 kV HVDC	2	2	1504	1504
	TOTAL	468	648	35027.61	44617.7548

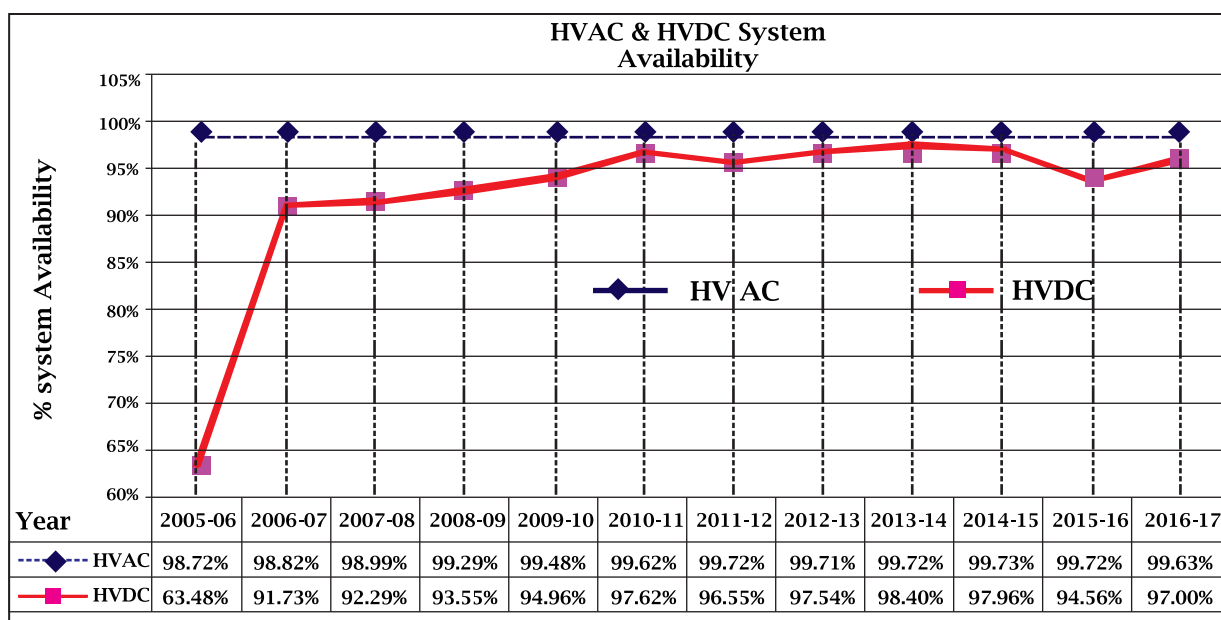
Note:- It is policy of MSETCL to eliminate the 66KV level in stages, hence existing 66KV substations and lines are either being upgraded to higher level or eliminated

Present transmission network and related data (as on 31/03/2017)

Sr. No.	Voltage level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
1	765 kV	1	3000	0
2	500 kV HVDC	2	3582	1504
3	400 kV	30	27210	8415.497
4	220 kV	219	51610	16729.427
5	132 kV	315	27854.5	14913.3098
6	110 kV	36	2305	1759.365
7	100 kV	38	2798	701.356
8	66 kV	7	736.5	594.80
	Total	648	119096	44617.7548

(C) Transmission Licensee

(1) HVAC and HVDC System availability from 2005-2006 to 2016-17



HVAC (High Voltage Alternate Current System) & HVDC (High Voltage Direct Current System) Availability Achievement from FY 2005-2006 to 2016-17.

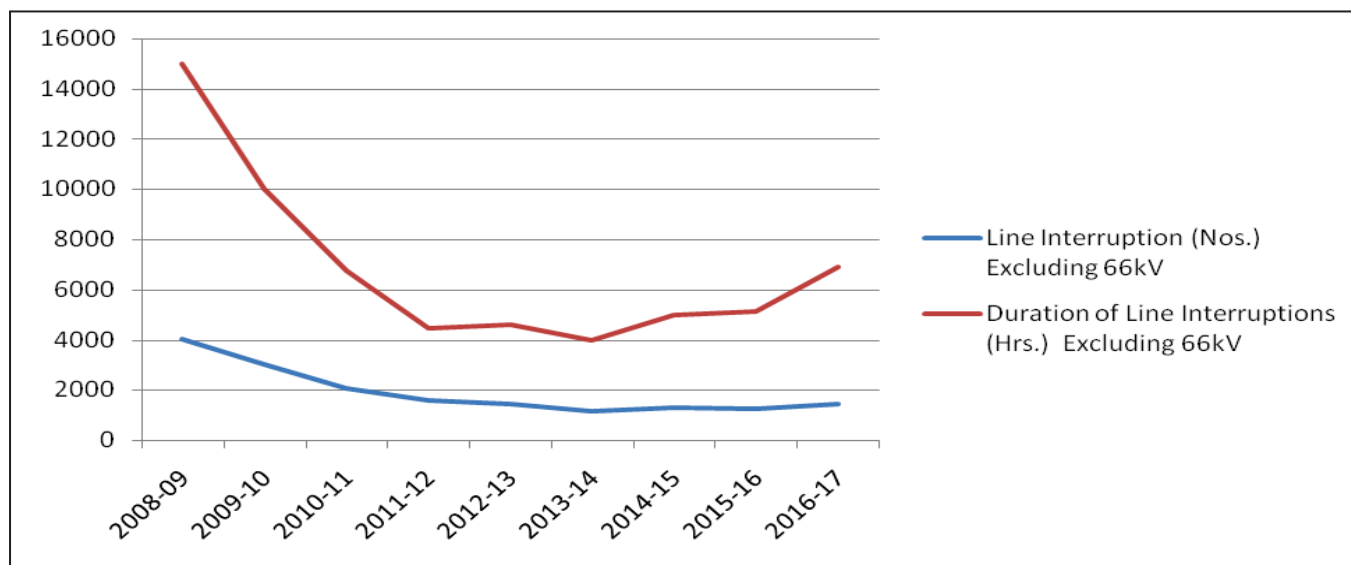
Present Transmission System Availability & Losses as against MERC benchmark

HVAC system (MERC Benchmark 98%)											
Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Avail (in %)	98.82	98.99	99.29	99.48	99.62	99.72	99.71	99.72	99.73	99.72	99.63
HVDC System(MERC Benchmark 95%)											
Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Avail (in %)	91.73	92.29	93.55	94.96	97.62	96.55	97.54	98.40	97.96	94.53	97.00

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

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

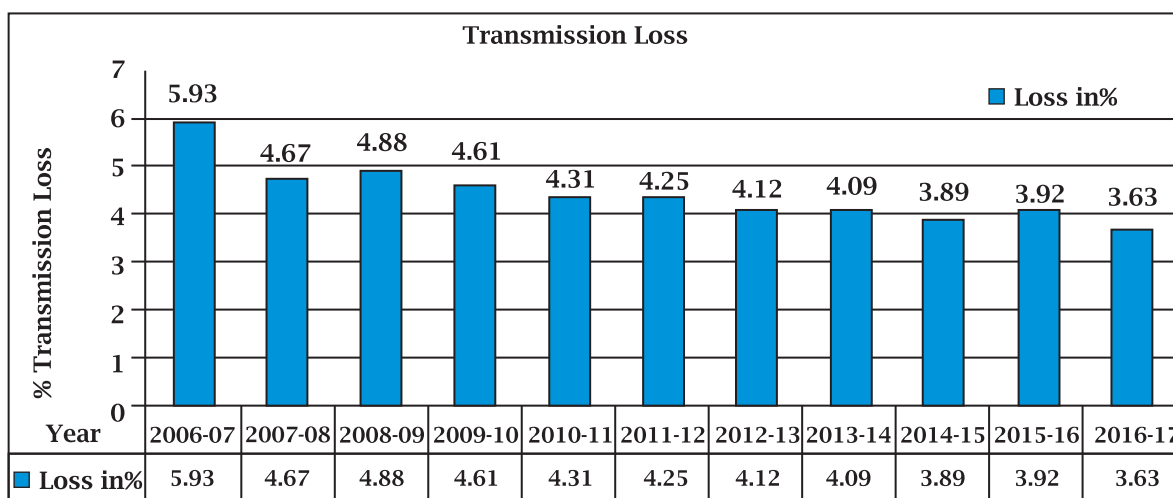
(C) (1) (b) Year wise EHV Lines Interruptions (Numbers & Duration)



Year wise EHV Lines Interruptions (Numbers & Duration)

Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Line Interruption (Nos.) Excluding 66kV	4007	3034	2045	1591	1454	1170	1299	1245	1472
Duration of Line Interruptions (Hrs.) Excluding 66kV	14979	10021	6766	4426	4599	3970	4978	5118	6891

(C) (2) Transmission Loss



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

The Transmission loss of 3.63% in the year 2016-17 is reduced as compared to previous years and it is one of the best among utilities across the country.

(C) (3) Achievements against planning for the year 2016-2017

Sr. No.	Voltage Class	Substations(Nos.)		Transmission Lines (Ckm)	
		Planned	Actual	Planned	Actual
1	500 kV HVDC	0	0	0	0
2	765KV	0	0	0	0
3	400 kV	2	2	62	191
4	220 kV	4	8	689	404
5	132kV	12	9	632	359
6	110 kV	0	0	0	23
7	100 kV	0	0	0	0.7
8	66 kV	0	0	0	8.2
	TOTAL	17	19	1383	985

- 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 17 Nos. of various voltage level substations, the actual achievement is 19 nos. which is 111.76%.
- Against the targets of 1383 Ckm of various voltage level lines, the actual achievement is 985 Ckm, which is 71.22%.
- The EHV new substations commissioned during year 2016-17:List attached as ANNEXURE 'I'.
- The EHV transmission lines commissioned during year 2016-17:List attached as ANNEXURE 'II'

12th Five Year Plan

12th Five Year Plan							
Sr. No.	Particulars	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	Total
1	New Substations	25	24	24	24	19	116
	A. MVA addition due to New substations	2225	1950	350	3850	2750	11125
	B. MVA addition due to Additional transformers	4935	2850	725	1565	4985	15060
	C. MVA addition due to Replacement of transformers	1111.5	636.5	675	337.5	663	3423.5
	Total MVA addition	8271.5	5436.5	1750	5752.5	8398	29608.5
2	EHV lines (Ckm)	1626	1187.73	1629	2108.986	985	7536.72
3	Capital Expenditure (Rs. in Crores)	2302	1584	1419	1263		

* Figures given by EHV O&M.

(C) (4) Major Initiatives:

1) Quality power supply-

- I) Installation of shunt reactors:** The 400 shunt Bus reactors are being proposed for installation at about 12 number of various 400KV substations for overcoming the problems such as a) Over voltages during off peak conditions. b) Failure of insulation of EHV equipment's c) Unwanted tripping of EHV lines & ICTs. Out of total 12 number of substations, the LOAs for installation of reactors at three number of 400KV substations viz. Lamboti, Kolhapur(Talandge) and Karad are already released.
- II) Installation of capacitor Banks:** The initiative is taken by MSETCL for installation of capacitor banks at 132KV & 33KV levels at about 53 number of 220KV and 132KV substations throughout state.
- 2) Mumbai transmission network strengthening:** This will enable capacity addition of about 900MW for import to Mumbai by conversion of existing 220KV Kharghar-Kalwa-Borivali-Boisar double circuit line into multi circuit AAAC twin conductor on narrow base towers. The work is completed and line is commissioned.
- 3) Projects in Tribal Sub Plan:** The five number of new substations (viz. 220KV Viroda, 132KV Dhadgaon, 132KV Ralegaon, 132KV Etapalli & 132KV Jawhar) were proposed to be taken up under the Tribal Sub Plan of Government of Maharashtra for the year 2016-17. The demand for first installment of Rs.100 Crores was submitted to Government of Maharashtra. Accordingly, Rs. 6.67 Corers are released by the government.
- 4) Green Energy Corridor Project:** The Green Energy Corridor Project is an upcoming project which aims at synchronizing electricity produced from renewable sources such as Solar & Wind with conventional power stations in the grid. The projects will be implemented with the assistance of Germany who has promised to provide developmental & technical assistance for the project. About 27 number of projects are proposed under Green Energy Corridor Project(GEC-I) out of which, Bid document for 10 number of projects is submitted to KFW, the German Bank and preliminary tenderization procedure for about 13 number of projects is started at Corporate Office.
Also, 13 number of lines and one number of substation will be covered under part-A & part-B respectively of GEC-II.
- 5) Make In India:** In line with the Make in India concept of Government of India, the MSETCL has given impetus to Indian manufactures through procurement of material through them.
- 6) Substation Automation & Remote Operations:** A major emphasis is placed on automating & remote operations of EHV substations and lot of pilots are underway.

(C) (5) Challenges before Transmission Licensee

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

(D) **State Grid Operations**

State Load Dispatch Centre

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

The functions of State Load Dispatch Center are as under:

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

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

(D) (1) **Highlights for the FY 2016-2017 are as under :**

1. Max State Demand Catered was 22517 MW in the month of March 2017. Unrestricted State Demand was 23055 MW
2. System Frequency remained in permissible range of 49.90 Hz – 50.05 Hz for 77.33% of time. (Max. frequency noted in May 2016 as 50.39 Hz and Min. Frequency was noted in Nov 2016 as 49.53 Hz, Average frequency was 49.97 Hz)
3. Total 147878.58 MUs energy Demand was catered.

All Figures are operational and based on SCADA data

(D) (2) **Major Achievements**

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

(D) (3) **Generation capacity addition during FY 2016-2017 in MW :**

Particulars	Unit No.	Addition in MW.	Remarks
State Sector			
MAHAGENCO	Chandrapur U#8	500	COD on 04.06.16
	Parli U#8	250	COD on 19.11.16
	Koradi U#9	660	COD on 22.11.16
	Chandrapur U#9	500	COD on 24.11.16
	Koradi U#10	660	COD on 17.01.17
IPPs			
M/S Pioneer Gas Private Ltd.	U#1	262	Sync. on 06.07.16
M/S Pioneer Gas Private Ltd.	U#2	126	Sync. on 08.07.16
Grand Total		2958	

Central Sector Units declared COD in FY 2016-2017

Unit	Capacity in MW	MSEDCL share in MW	Date of COD
Mouda STPS - II (Unit#1)	660 MW	285.40	COD on 01.02.2017

(D) (4) **Short Term Open Access Granted during the FY 2016-2017**

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

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

FY	Firm Power	Day Ahead/Same Day Power	Total No of Applications
2015-16	2392	1575	3967
2016-17	3152	4837	7989

B) Inter State STOA through Power exchange :-

FY	IEX	PXIL	Total No of Applications
2015-16	1411	34	1445
2016-17	2194	0	2194

C) Energy Transaction through STOA:-

FY	Total Quantum (MUs)
2015-16	18193
2016-17	18866

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

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

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

(E) State Transmission Utility

(1) Regulatory and Commercial Activity for the 2016-2017

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

(E) (2) Open Access & Grid Connectivity related Activities for the year 2016-2017

• **Open Access**

- Long Term Open Access: Nil
- Medium Term Open Access: 4 nos (18.75 MW)

• **Grid Connectivity**

➤ **Independent power project:**

Grid connectivity issued to 01 no. with installed capacity of 1.05 MW

➤ **Co-generation power project:**

08 nos. of consumer with installed capacity of 19.8 MW are commissioned & grid connectivity issued to 7 nos. of consumer with installed capacity of 132.85 MW.

➤ **Wind power project:**

The 31 no. of project proposals (2973 MW) having certain progress has been sent to MEDA for seeking recommendation under RE policy of the Govt. of Maharashtra.

➤ **Solar power project:**

Final grid connectivity towards synchronization for 1 no. of projects with installed capacity 30 MW has been issued. Grid connectivity issued to 17 nos. of projects of capacity of 1657 MW.

(E) (3) STU Five year Transmission plan for the period 2017-2018 to 2021-2022

- STU Five year plan for the F.Y. 2017-18 to 2021-22 has been approved by Board. The technical abstract for the same is as below:

YEARWISE STATE ABSTRACT FOR NEW SUBSTATIONS							
Sr. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
1	400 KV	3	1	2	1	0	7
2	220 KV	8	10	10	4	7	39
3	132 KV	5	3	5	10	5	28
4	110 KV	0	0	0	0	0	0
5	100 KV	0	1	0	0	0	1
	Sub Total	16	15	17	15	12	75

YEARWISE STATE ABSTRACT FOR EHV LINES (CKT. KMS)							
Sr. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
1	765 KV	0.00	0.00	0.00	20.00	0.00	20.00
2	400 KV	673.00	375.00	52.00	60.00	75.00	1235.00
3	220 KV	1063.75	1124.79	1190.50	416.00	479.00	4274.04
4	132 KV	1305.42	1444.50	1389.50	1332.00	1318.00	6789.42
5	110 KV	126.00	124.00	105.00	95.00	32.00	482.00
6	100KV	2.00	95.50	9.00	0.00	0.00	106.50
	TOTAL	3170.17	3163.79	2746.00	1923.00	1904.00	12906.96

YEARWISE STATE ABSTRACT TRANSFORMATION CAPACITY ADDITION (MVA)							
Sr. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
1	765 KV	0	0	0	0	0	0
2	400 KV	2001	2818	2187	1185	0	8191
4	220 KV	4750	4300	2325	1300	1000	13675
5	132 KV	2050	1280	350	550	400	4630
6	110 KV	75	100	0	0	0	175
7	100 KV	0	225	200	0	0	425
TOTAL		8876	8723	5062	3035	1400	27096
Reactor (MVar)		875	625	25	0	0	1525
Capacitor (MVar)		765	1010	865	0	0	2640+2 Nos. STATCOM/SVC

(E) (4) Challenges before STU

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

(F) Joint Ventures of MSETCL

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

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

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

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

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

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

For the financial year 2016-17, the transmission system availability achieved was 98.86% against the normative availability of 98%.

JPTL has complied with all regulatory requirements during the financial year under the transmission license granted by MERC. MERC has approved the Petition for True up of Annual Revenue Requirement for FY 2014-15, Annual Performance Review of FY 2015-16 and Multi Year Tariff for the Control Period FY 2016-17 to FY 2019-20 of Company by its order dated 27th June, 2016.

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

The Company (MTCIL) is a Joint Venture between Sterlite Technologies Limited (STL) and Maharashtra State Electricity Transmission Company Limited (MSETCL). It has been formed to develop 2,801 Km RFP links & additional links of 500 Km Optical Power Ground Wire (OPGW) route over MSETCL's EHV transmission infrastructure in the state of Maharashtra, reaching major cities like Navi Mumbai, Pune, Nasik, Nagpur, Aurangabad, Kolhapur and several other cities, semi-urban and rural areas. The Company has obtained its Infrastructure Provider-1 (IP-1) registration certificate in the month of April, 2014.

The Project for live line installation and commissioning of 48F OPGW is in advanced rollout stage and has achieved OPGW Supply of 2757 Kms (2561Km RFP & 196Km additional links) and installation of OPGW 2237 Kms (RFP 2084Km & Additional link of 153Km) of OPGW Installation against Project quantity of 2,801 Kms of RFS links & additional links of 500 Km. The Company has procured 26 nodes active equipment's out of 48 nodes for internal utilization of MSETCL and installed at 24 substations. The 20 Mbps link is up from Chandrapur to Ambazari (230 Km) for MSETCL internal data transmission. The 172Km (Mumbai to Pune) 2 pair of fibre network has been leased to one of telecom service provider. The network has been maintained 100% SLA for the year.

BUSINESS OUTLOOK FOR MTCIL FIBER BUSINESS

Optical fiber plays a crucial role in improving broadband connectivity and building a robust 4G/5G backhaul networks in the current market scenario and MTCIL with its reliable optical fiber network is ready to take advantage of this need in the market.

1. India's current fiber scenario and fiber laying opportunity

Despite government's push for fiberization and aggressive fiber roll outs by private telecom companies, India still lags behind countries such as China and Malaysia in terms of density and reach of its optic fiber network. This is evident from the Figure 1 given below, which states the fiber cable length (million km) and fiber cable density (km/100 people) for India, China & Malaysia. China has fiber length of 18.18 million km and fiber density of 1.3 km/100 people compared to India, which has a fiber length of 1.2 million km and fiber density of 0.1 km/100 people. Even though 1.2 million km of fiber has been laid in India, it lags significantly behind China in absolute and per person terms. India needs to invest in creating an extensive network to cater to the rising demand.

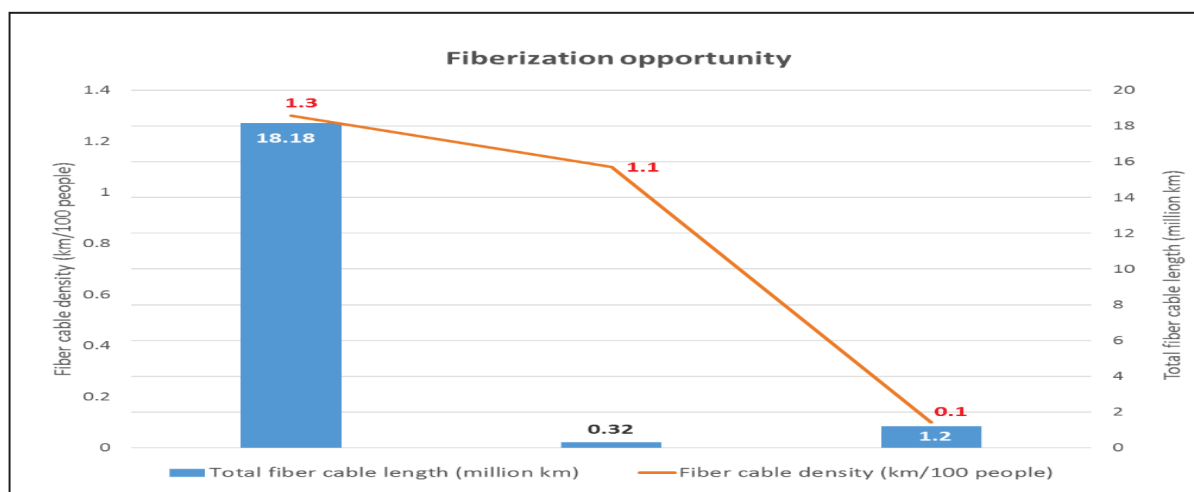


Figure 1: Current fiber deployment scenario in Asian economies

Indian Telecom operators have rolled out fiber mostly on their own and taken leased fibers from other telecom operators & other fiber players in the market owing to the rising opportunity stated above.

Communication Service Providers (CSPs) take fibers on lease due to the following advantages:

- Cost savings, which dark fiber players can provide because of their economies of scale
- Time savings, by avoiding cumbersome ROW approval process

MTCIL aims to cater to this need of communication service providers (CSPs) by providing optical fiber pairs on lease at reasonable market rates and timely handover.

2. Current telecom technology scenario & MTCIL business outlook

4G penetration in India is already on the rise with telecom operators fighting it out to roll out high- speed network across different parts of India. 5G technology is also not behind with South Korea readying to test their network during 2018 Winter Olympics.

With increasing speeds, telecom operators have the inevitable task of upgrading their backhaul network to handle 100G capacity with sufficient fiber lines for primary & redundant paths.

MTCIL's state of the art fiber network across Maharashtra covering 16 districts, 70 towns and 9 major cities, is equipped for handling 100G capacities and cover the current gap in the market. ISPs & MSOs are also on the lookout for a reliable network to carry their data traffic and MTCIL will be the preferred network for these parties as well.

MTCIL being the reliable backbone network with its OPGW network is seeing good demand in the market from telecom operators, ISPs and MSOs. Crucial intercity network in Mumbai & Pune, which provides a connection closer to end customers, is also seeing significant demand from Telecom companies, ISPs and MSOs.

Considering all the above factors mentioned, MTCIL is poised for a healthy growth and revenues in the coming years.

(G) Human Resource Department

- (G) (1) The MSETCL values its Human Resources the most. The Company takes pride in its highly motivated and competent human resource that has been contributing its best to bring the Company to its present height. The Company believes that continuous development of its human resources fosters engagement and drives competitive advantage. The Company always strives to develop a management culture, trust, transparency and

open communication and to establish a strong ethos of work culture, quality consciousness and high performance across the organization.

(G) (2) Working Manpower Strength as on 31st March 2017 is as under:

Pay Group	Working Strength as on 31st March 2017
PG - I	1183
PG - II	2150
PG - III	2903
PG - IV	3993
Total	10229

No employee was in receipts of remuneration exceeding the limits set out under Section 134 of the Companies Act, 2013.

(G) (3) HRD Initiatives

- Human Resources has aligned with Company's objectives.
- Performance Management System has strengthened.
- Employees are being trained for implementation of SAP (ERP) with a vision towards paperless governance and leveraging from the system.
- Employee Development through training.
- Regional Training Centers as a new profit centers.

(G) (4) MSETCL Training & Development

a. MSETCL Training Policy-

MSETCL believes that Human Resource has pivotal role in growth & development of the company. MSETCL endeavors to build employees' capability through training. MSETCL has adopted National Training Policy issued by Ministry of Power, Government of India. As per this policy 7 days training is to be provided to each employee annually. Out of 7 days training, 4 days training is based on functional area and 3 days on behavioral area.

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

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

b. During the year 2016-2017 the various training programmes were summarized as under

- Testing training was provided to Testing and Telecom Engineers at PSLC, Waluj.
- Women Capacity Development Program was organized for all the pay groups' women employees through RTCs.
- One day workshop on SCADA/Substation Automation systems presented by General Electric, Siemens, ABB India Ltd., Sifang, Psnider and Kalkitech.
- Project Engineers summit at Lavasa and Lonawala. About 240 Project Engineers of the rank of AE/DyEE/AEE/EE from various zone took part in the summit.
- Vendor meet was organised by MSETCL for SRM awareness and other issues. The meet was addressed by Hon'ble Energy Minister.

c. Development of RTCs as new Profit Centers:

- Specialized training infrastructure has been set-up through development of seven RTCs at each zone. These RTC's are CEA recognized. The inspections for RTC reorganization as training center were conducted by CEA authorities.
- The facilities at RTCs are being developed. The training programmes for the Pay Group III and IV are structured and imparted through in-house faculties.
- During the year, the RTCs facilities were extended to the outside institutes, companies etc. Total revenue generated through such training is Rs.18.31 Lakhs.

d. Training imparted and expenditure incurred during the year 2016-2017 is as under:

Manpower Working Strength	Total Man-days covered	Expenditure Incurred (₹ in Lakhs)	
		Training	Capex
10229	45006	1269.23	75.00

e. Future Plans:

- In order to impart technical training to maintenance staff, it is proposed to establish Power System Learning Centre (PSLC) at Amabazari.
- The proposal to establish Corporate Training Centre at Lonawala is also under process.

(G) (5) Achievements

In order to incorporate changes considering the future developments in the energy sector and creating dynamic workforce the Review of Staffing Norms in respect of Transmission cadre was done and got in-principal approval in the Board Meeting held on 02.12.2016.

(G) (6) Employee Welfare

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

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

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

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

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

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

II. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Directors

During the financial year 2016-17, the following changes in the composition of the Board of Directors of the Company have taken place as per the directions of the Energy Department, Government of Maharashtra and the holding Company, MSEB Holding Co. Ltd.

Sr. No.	Name of the Director	Date of Appointment	Date of Cessation
1.	Shri Rajeev Kumar Mital, IAS - CMD	06.01.2015	-
2.	Shri Mukesh Khullar, IAS	02.02.2015	07.05.2016
3.	Shri O.K. Yempal	06.07.2011	25.05.2017
4.	Smt. Pushpa Chavan	26.06.2014	-
5.	Shri R.D. Chavan	05.05.2015	-
6.	Shri Vishwas Pathak	24.08.2015	-
7.	Shri Bipin Shrimali, IAS	07.05.2016	06.02.2017
8.	Shri Arvind Singh, IAS	30.03.2017	-
9.	Shri G.T. Munde	05.08.2017	

Directors on the date of report are as follows:

Sr. No.	Name of the Director	Designation	Date of Appointment
1.	Shri Rajeev Kumar Mital, IAS	Chairman & Managing Director	06.01.2015
2.	Shri Arvind Singh, IAS	Nominee Director	30.03.2017
3.	Shri G.T. Munde	Director(Operations)	05.08.2017
4.	Shri R.D. Chavan	Director(Projects)	05.05.2015
5.	Smt. Pushpa Chavan	Independent Director	26.06.2014
6.	Shri Vishwas Pathak	Independent Director	24.08.2015
7.	Shri Vinayak Sathe	Director(Finance)	02.04.2016

(B) Declaration on Independent Directors

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

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

C) PERFORMANCE EVALUATION OF DIRECTORS

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

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

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

(D) Key Managerial Personnel

During the financial year 2016-17, the following are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

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

(E) Meetings

(I) Board Meetings

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

S.No.	Number of Board Meeting	Date of Board Meeting
1.	Adjourned 107th Board Meeting	02.04.2016
2.	108th Board Meeting	02.06.2016
3.	109th Board Meeting	21.06.2016
4.	110th Board Meeting	28.07.2016
5.	111th Board Meeting	27.09.2016
6.	112th Board Meeting	17.11.2016
7.	Adjourned 105th Board Meeting	02.12.2016
8.	113th Board Meeting	27.12.2016
9.	114th Board Meeting	30.03.2017

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

Board Meeting attendance of directors during financial year 2016-2017

Name of the Director	No. of Board Meetings held	
	Held	Attended
Shri. Rajeev Kumar Mital, IAS - CMD	9	9
Shri. Mukesh Khullar, IAS (i)	9	1
Shri. O.K. Yempal	9	8
Smt. Pushpa Chavan	9	8
Shri. R.D. Chavan	9	8
Shri. Vishwas Pathak	9	8
Shri. Vinayak Sathe	9	8
Shri. Bipin Shrimali, IAS (ii)	9	8
Shri. Arvind Singh, IAS (iii)	9	1
Shri. G.T. Munde (iv)	9	0

- Shri. Khullar ceased to be Director with effect from 07.05.2016
- Shri. Shrimali ceased to be Director with effect from 30.03.2017
- Shri. Singh was appointed as a Director with effect from 30.03.2017
- Shri. Munde was appointed as a Director with effect from 05.08.2017

(ii) COMMITTEE OF THE BOARD OF DIRECTORS

The Company has the following Committees of the Board:

- Audit Committee (AC)**

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

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

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

Sr. No.	Number of Audit Committee Meeting	Date of Meeting
1.	9th Audit Committee Meeting	27.04.2016
2.	10th Audit Committee Meeting	13.07.2016
3.	11th Audit Committee Meeting	26.09.2016
4.	12th Audit Committee Meeting	17.11.2016
5.	13th Audit Committee Meeting	15.02.2017

AC Meeting attendance of directors during financial year 2016-2017

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

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

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

- Nomination and Remuneration Committee (NRC)**

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

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

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

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

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

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

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

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

Sr. No.	Number of CSRC Meeting	Date of Meeting
1.	3rd Corporate Social Responsibility Committee Meeting	02.06.2016
2.	4th Corporate Social Responsibility Committee Meeting	28.07.2016
3.	5th Corporate Social Responsibility Committee Meeting	10.11.2016
4.	6th Corporate Social Responsibility Committee Meeting	27.12.2016

CSRC Meeting Attendance of directors during financial year 2016-2017

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

III. FINANCIAL HIGHLIGHTS

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

[Rs. In Crs]

Particulars	2016-17	2015-16
Total Income	3195.36	3576.95
Total Expenditure	3107.01	3081.06
Profit before tax and Prior Period Adjustment	88.35	495.89
Less: Net Prior Period Expenses / (Income)	0	0
Profit Before Extraordinary Items and Tax	88.35	495.89
Extraordinary Items :	0	0
Profit Before Tax	88.35	495.89
Provision for Tax	93.42	15.35
Net Profit / (Loss) after Tax available for Appropriation	(5.07)	480.53
Other Comprehensive Income	(20.36)	(20.44)
Total Comprehensive Income	(25.43)	460.09

Profit before Tax for the year 2016-17 is at Rs. 88.35 crore as against Rs. 495.89 crore during the previous FY 2015-16. Profit after Tax for FY 2016-17 is at Rs.(5.07) crore as against Rs. 480.53 crore during the previous FY 2015-16. 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.55.46 crores to Contingency Reserve Fund and Rs Nil to Special Reserve Fund.

(C) Change in Share Capital

The Capital Structure of the Company is as under:

(Amt in Rs.)

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

In F.Y. 2016-17 there was no change in the Share Capital of the Company.

(D) Dividend

In view of the losses incurred, your Directors do not recommend any dividend for the financial year ended on March 31, 2017.

(E) Internal Controls

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

(F) Subsidiary 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. Sanjay Gupta & Associates, Cost Accountants, Mumbai were the cost auditor for the F.Y. 2016-17.

The Board of Directors appointed M/s. B J D Nanabhoy & Co, Cost Accountants, Mumbai as the cost auditor for the F.Y. 2017-2018 and their appointment has been taken on record by MCA.

(H) Statutory Auditors

As the Company is a Government Company under section 2(45) of the Companies Act, 2013, the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 appoints the statutory auditors to audit the annual accounts. M/s Jain Chowdhary & Co. Chartered Accountants were appointed as Statutory Auditors for F.Y. 2016-17.

The C&AGI, New Delhi vide letter no. No./CA. V/COY/MAHARASHTRA, MSETCL(1)/29 dated 12.07.2017 have appointed 'Khimji Kunverji & Co.' Chartered Accountant Firms, Mumbai as the statutory auditors for the financial year 2017-2018. The statutory auditors appointed by C&AGI will hold office until the conclusion of next Annual General Meeting.

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

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

In terms of Section 143 (6) of the Companies Act, 2013 the comments of the Comptroller and Auditor General of India on the accounts of the Company for the year ended March 31, 2017 are annexed to the report as Annexure IV.

(J) Deposits

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

(K) Particulars of Loans, guarantees or investments

Your company has not directly or indirectly

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

(L) Related Party Transactions

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and hence provision of Section 188 of the Companies Act, 2013 are not applicable.

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

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

(N) Funding arrangement/Institutional Borrowing

MSETCL has submitted its Capital expenditure plan for FY 2015-16 to 2019-20 of around Rs.7875 crores to MERC.

In the financial 2016-17, Mahatransco has raised Rs. 611 Crore through debt. For the debt component, Mahatransco has tied up with the Power Finance Corporation (PFC), the Rural Electrification Corporation (REC) and nationalized banks. MSETCL has earlier raised loans from International Agencies like the International monetary Fund and the Japanese Bank for International Co-Operation (JBIC).

IV. OTHER COMPLIANCES

(A) Secretarial Audit Report

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

(B) Risk Management Policy

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

<http://www.mahatransco.in/wps/wcm/connect/834c7d804f283c9ab84dfa4e0ca95869/RISK+MANAGEMENT+POLICY-+02.06.2016.pdf?MOD=AJPERES>

(C) Extract of Annual Return

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

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

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

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

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

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

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

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

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

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

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

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

Technology Absorption

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

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

Foreign exchange earnings and Outgo

There has been no Foreign Exchange earnings and outgo during the year 2016-17.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

VII. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2017, 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, 2017 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, 2017, 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

Our 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.

Our 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/-

Rajeev Kumar Mital

Chairman & Managing Director

Place: Mumbai

Date: 26.12.2017

Annexure Index

Annexure	Content
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II	List of EHV transmission lines commissioned during the F.Y.2016-17
III	Comments of Statutory Auditors and Management's Response thereupon
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EHV Substations commissioned during the F.Y. 2016-2017

Annexure-I

No. of Substation Added during the Year 2016-17							
Sr. No.	Name of Substation	MBR No. & Date	District	Circle	Zone	MVA Added	Date of Commissioning
400 kV							
1	400 kV Hinjewadi-III GIS 400/ 220/ 33 kV, 3X167 MVA ICTs 2 nos	62/21, dtd. 09-05-2011	Pune	Pune	Pune	1000	30.05.2016 (Back Charge through 220kV DC cable from 220kV Hinjewadi-II SS)
2	400 kV Alkud S/S 400/ 220 kV, 500 MVA ICT	84/19 Dt. 05.09.13	Sangli	Kolhapur	Karad	500	01.01.2017
220 kV							
3	220 kV Ballarshah S/S 220/33kV, 2 x25MVA	34/04, dtd. 04-10-2008	Chandrapur	Nagpur	Nagpur	50	03.12.2016 07.03.2017
4	220 kV Partur S/S 220/ 132 kV, 2 x100 MVA 220/ 33 kV, 2 x 50 MVA	34/4 Dt.04.10.08	Jalna	Aurangabad	Aurangabad	300	03.01.2017 25.03.2017 (Back Charged)
5	220 kV Viraj Profile S/S 220/33 kV, 2X50 MVA ICT	83/16 dtd 16.08.2013	---	Kalwa	Vashi	100	26.01.2017
6	220 kV Vile Bhagad S/S 220/22 kV, 1X25 MVA T/F	82/10 Dt. 04.06.13	Raigad	Kalwa	Vashi	25	31.01.2017
7	220kV Chinchwad S/S	1275 dtd 16.03.2004	Pune	Pune	Pune	Only Bays	10.03.2017 (Only Bays)
8	220kV Vairag S/S 220/33kV 2 x25 MVA TF	89/22, dtd. 06-03-2014	Solapur	Pune	Pune	50	30.03.2017
9	220kV Anjangaon S/S 220/132kV,100MVA ICT	34/04, dtd. 04-10-2008		Amravati	Amravati	100	31.03.2017 (Back charged)
10	220kV Loni Deokar S/S 220/132kV, 2x 100MVA ICT I&II 220/33kV, 50 MVA TF-I	69/15, dtd. 31-12-2011	Pune	Pune	Pune	250	31.03.2017
132 kV							
11	132 kV Khedi S/S 132/33kV, 2x 50MVA T/f	71/07, dtd. 17-03-2012	Jalgaon	Nashik	Nashik	100	08.08.2016
12	132kV Nimblak TSS	60/10, dtd. 07-02-2011	Ahmednagar	Nashik	Nashik	Only Bay	03.11.2016
13	Rajarambapu Patil SSSK Co-Gen project 132-110/11kV, 25 MVA	Co-Gen	---	Kolhapur	Karad	25	24.12.2016
14	132 kV Yawatmal MIDC S/S 132/33kV, 2 x25 MVA T/F	88/18, dtd. 13-01-2014	Yawatmal	Amravati	Amravati	50	28.12.2016 01.03.2017
15	132kV Dharni S/S 132/33kV, 1 x 25 MVA T/F	65/17 Dtd 12.08.2011	Amravati	Amravati	Amravati	25	10.02.2017
16	132KV Deulgaon Raja S/S 132/33kV, 25 MVA TF	34/04, dtd. 04-10-2008	Amravati	Amravati	Amravati	25	24.03.2017
17	132kV Rajur S/S 132/33kV, 1 x 25 MVA TF	76/04, dtd. 09-10-2012	Ahmadnagar	Nashik	Nashik	25	29.03.2017
18	132kV Jalgaon Jamod S/S 132/33kV, 25 MVA TF	34/04, dtd. 04-10-2008	Buldhana	Amravati	Amravati	25	30.03.2017
19	132kV Pimpalgaon (Khadki) S/S 132/33kV, 2 x 50 MVA TF	60/12, dtd. 07-02-2011	Pune	Pune	Pune	100	30.03.2017 (Back Charged)
Total MVA						2750	

Annexure-II

EHV Transmission lines commissioned during the F.Y. 2016-2017

CkM Added During the Year 2016-17							
Sr. No.	Name of EHV lines	MBR No. & Date	Type of Circuit	Circle	Zone	Ckt Km.	Date of Commissioning
400 kV							
1	400Kv DCDC Quad Line from 400kv Thaptitanda to 765kv Ektuni ckt No.3 & 4 (connected to loc No.5 of existing Babhaleshwar Thaptitanda Line)	62/18, dtd. 09-05-2011	DCDC	Aurangabad	Aurangabad	9.80	14.05.16
2	400 kV Koradi-II to Koradi-III- (Tidangi) line - Ckt I. & Ckt-II	90/22 dt. 19.05.14	DCQ	Nagpur	Nagpur	75.72	31.12.2016 11.02.2017
3	LILO on 400 kV Solapur - Kolhapur PGCIL line for 400 kV Alkud S/S	84/19 Dt. 05.09.13	LILO	Kolhapur	Karad	25.02	01.01.2017
4	400KV LILO on Chandrapur-Parli S/C line for 400KV Nanded (Khumbhargaoon)	47/05, dtd. 30-09-2009	LILO	Aurangabad	Aurangabad	80.00	24.03.2017
220 kV							
5	LILO on 220KV Chitegaon-Shendra line at 1200KV Chitepimpalgaon S/S (PGCIL)ckt-II. (Ckt-I commissioned on 19.03.2016)	Dir(P), 471, dtd. 05-05-2015	SC	Aurangabad	Aurangabad	1.9	08.04.2016
6	LILO line on 220 KV Kolhapur - Sawantwadi line for 220 KV Bidri S/s. (Tap line-13CKm is charged on 31.03.16)	34/04, dtd. 04-10-2008	LILO	Kolhapur	Karad	13.00	15.04.16
7	220kV DC tap on Babhaleshwar Chalisgaon for kopergaon S/S(CktII)	---	DC	Nashik	Nashik	10.66	23.05.16
8	LILO on existing 220kV Chinchwad-Urse line for Co-Generation plant by Shri Sant Tukaram SSK Ltd at Kasarsai Tal Mulshi Dist Pune.	ORC	LILO	Pune	Pune	1.05	26.05.2016
9	LILO on existing 220kV DC Kandalgaon -Topworth Transmission line for M/s Pioneer Gas Power s/s.	440 dtd 06.06.2015	LILO	Kalwa	Vashi	5.29	02.06.2016
10	LILO on 220kV Bhugaon- Pusad line for Wardha (PG) s/s	52/13 dt 23.04.2010	LILO	Nagpur	Nagpur	14.19	25.08.16
11	220KV Gadchandur -UTCL Ckt II line.	ORC	---	Nagpur	Nagpur	8.31	03.09.2016
12	220kV Chandrapur MIDC- Ballarshah Ckt-I & Ckt-II	34/4 dtd 04.10.2008	DC	Nagpur	Nagpur	41.26	28.09.2016 12.03.2017
13	LILO on 220kV Pandharpur-Malinagar line for M/s Vittal SSK Co-generation plant	ORC	DC	Pune	Pune	2.08	28.09.16
14	LILO on 220kV Shivajinagar- Satana line from loc. No 211 to Gangapur s/s for 220kV Gangapur s/s.	ORC	LILO	Nashik	Nashik	95.90	21.10.2016
15	220kV Kalwa-Borivali line on M/C tower (from loc no 20 to 48)	61/20 Dt. 11.03.11	S/C on MC	Kalwa	Vashi	8.96	22.10.2016
	Kalwa			Vashi	2.91	31.12.2016	
	220kV Bhandup- Borivali line on M/C tower (from loc. No 20 to 48)		S/C on MC	Kalwa	Vashi	8.96	23.10.2016
	220 kV Mulund Bhandup M/C line		S/C on MC	Kalwa	Vashi	2.91	01.01.2017

16	220 kV S/C line from ACC limited to LMEL Ghughus with bays at ACC & ghughus	ORC	S/C	Nagpur	Nagpur	2.20	22.12.2016
17	LILO line on 220kV Dhule-Malegaon Line at 220kV/33kV Sayane SS - ckt-II (Tap line- 4.65 ckm charged on 12.06.2015)	34/04 Dt.04.10.08	LILLO	Nashik	Nasik	4.65	27.01.2017
18	220 kV SCDC line form Bhalwani S/S for evacuation of power from Co-gen plant setup by M/s. Sahakar Shiromani Vasanttrao Kale SSK	ORC	SCDC	Solapur	Pune	1.39	27.01.2017
19	Diversion work of 220kV Bhugaon-Wardha line and 220kV Bhugaon - Hinghanghat line from premises of M/s UGML at Bhugaon s/s.	ORC	DC	Nagpur	Nagpur	3.81	27.01.2017
20	LILLO on Kandalgaon-PGPL line for 220kV Vile-Bhagad s/s	82/10 Dt. 04.06.13	LILLO	Kalwa	Vashi	0.40	31.01.2017
21	Diversion of 220kV Chinchwad-Parvati and Nanded City- Flagship D/C line passing through the premises of Puranik Buildicon Pvt Ltd at Bavdhan, Pune L. no 40-42.	ORC	DC	Pune	Pune	2.89	13.02.2017
22	220kV SCDC Karad- Koyna (Loc no 8 -144) partial line	34/04, dtd. 04-10-2008	SCDC	Kolhapur	Karad	43.68	15.02.2017
23	220kV Kharghar- Boriwali DC line	61/20 Dt. 11.03.11	DC	Kalwa	Vashi	74.80	11.03.2017
24	220kV D/C cable feeder for by passing 400/220kV Kalwa substation.	61/09 dtd 11.03.2011	DC cable	Kalwa	Vashi	1.60	09.03.2017
25	220kV Lamboti -Vairag line by making tap arrangement on 220kV Tuljapur-Vairag line for Vairag SS	---	SCDC	Pune	Pune	32.00	30.03.2017
26	One ckt of LILO line of 220kV Bhigwan-Walchandnagar at 220kV Loni Deokar s/s	69/15, dtd. 31-12-2011	SCDC	Pune	Pune	18.80	31.03.2017
132 kV							
27	LILLO on 132kV Sangamner-Akole (Ckt-I) for M/s SMBT SSKL Co-Gen Plant	ORC	SCDC	Nashik	Nashik	2.32	04.04.2016
28	132kV SCDC Line from Ahmednagar to 132kV Nimblak TSS S/Stn	60/10, dtd. 07-02-2011	SCDC	Nashik	Nashik	16.03	17.05.16
29	132kV Line from Mula SSK to Ghodegaon SS	ORC	SCDC	Nashik	Nashik	8.50	25.05.16
30	LILLO on 132 KV Deepnagar - Pachora D/C line at 132 KV Bhusawal (Khed) S/S	71/07, dtd. 17-03-2012	LILLO	Nashik	Nashik	0.30	08.08.16
31	Reorientation of 132kV Paras-Akot and 132kV Paras-Patur line at 220kV Balapur s/s.	92/18, dtd. 19-08-2014	---	Amravati	Amravati	8.90	19.09.16
32	132KV LILO on Phaltan- Dahiwadi line for Visa- Ecotech solar plant switchyard at Mogarale Dist- Satara	ORC	DC	Kolhapur	Karad	4.81	27.09.2016.
33	132KV SCDC line from 220/132KV Phaltan MIDC S/S to Co-gen plant of M/s. Sharayu Agro Industries Ltd. Kapshi	ORC	SCDC	Kolhapur	Karad	12.50	26.10.2016

34	132KV Bambwade S/s to TapPoint of Chambukhadi-Kale line	34/4 04.10.08	SCDC	Kolhapur	Karad	16.00	22.11.2016
	132KV SCDC line from Bambawade S/S to Chambukhadi S/S & 2nd Ckt. Stringing from Loc. No. 55 to chambukhadi S/S (balance portion)	34/4 04.10.08	SCDC	Kolhapur	Karad	20.42	07.01.2017
35	132 kV Jam S/S to 132 kV Pee Vee Textiles SCDC line alongwith bay at Jam S/S.	ORC	SCDC	Nagpur	Nagpur	0.15	07.12.2016
36	Shifting of 132 kV Padegaon - Jalna line under SEZ Shendra MIDC from 220kV Sawangi to 132kV COSMO Films and 132kV COSMO Films to 132kV Badnapur.	ORC	S/C	Aurangabad	Aurangabad	6.08	17.12.2016
37	132 kV Yavatmal - Yavatmal MIDC line for 132kV Yavatmal MIDC S/Stn.	88/18, dtd. 13-01-2014	DCDC	Amravati	Amravati	24.00	28.12.2016
38	132 kV LILO on Partur - Mantha line at 220 kV Partur S/S	34/4 Dt.04.10.08	LILO	Aurangabad	Aurangabad	3.91	02.01.2017
39	132 kV LILO line for 12 MW Bagasse Co-gen plant on existing 132 kV Bodwad - Malkapur line.	CMD/ 988 dt.30.10.2014 ORC	LILO	Nasik	Nasik	15.06	20.01.2017
40	132 kV line from Loc. No. 14 of 132 kV Ujani - Sina Madha line to NTPC Pump house by Tap off arrangement	ORC	D/C	Solapur	Pune	0.85	27.01.2017
41	132kV SCDC line from 220kV Nepanagar -Dharni Interstate line for 132kV Dharni s/s	65/17 dtd 12.08.2011	SCDC	Amravati	Amravati	60.00	10.02.2017
42	Construction of 132kV line from 132kV Karajagi s/s to 132kV switchyard of M/s Chettinad Cement	ORC	SC	Pune	Pune	10.30	18.02.2017
43	132kV D/C line for Co-Generation plant set up by M/s Shree Sindheshwar SSKLtd, Tikerwadi Solapur by LILO on 132kV Solapur (MIDC)- Ultratech line	ORC	DC	Pune	Pune	7.36	22.02.2017
44	Tap arrangement on 132kV Akole-Nilwande DC line for Rajur ss	76/04, dtd. 09-10-2012	SCDC	Nashik	Nashik	0.36	22.03.2017
45	132kV DC Dusrbid - Deulgaon Raja line for Deulgaon Raja SS	34/04, dtd. 04-10-2008	DC	Amravati	Amravati	52.00	24.03.2017
46	LILO on 132kV Partur-Parbhani(Bageshwari) line for 220kV Partur S/S.	98/10, dtd. 16-03-2015	LILO	Aurangabad	Aurangabad	12.00	27.03.2017
47	132KV Balapur-Jalgaon Jamod DCDC Line	34/04, dtd. 04-10-2008	DCDC	Amravati	Amravati	55.63	30.03.2017
48	Reorientation of 132 kV DCMC line for Warwat Bakal & Malkapur lines for Balapur S/s	92/18, dtd. 19-08-2014	DCMC	Amravati	Amravati	8.60	30.03.2017

49	132 KV DC Line from 132 KV Daund SS to 132 KV Daund TSS (Loc 1- 25)	CMD, 418, dtd. 30-05-2013	DCMC	Pune	Pune	13.32	31.03.2017
110 kV							
50	110kV SCDC line Tapped to 110kV Tung-Borgaon line for 110kV Rajarambapu SSK.	ORC	SCDC	Kolhapur	Karad	3.74	23.12.2016
51	110 KV SCDC from 110KV Kale S/S to Loc. No. 32A (110kV Chambukhadi- Kale line balance portion)	34/4 04.10.08	SCDC	Kolhapur	Karad	15.50	31.03.2017
52	2nd Ckt. of 110 KV LILO line from Loc. No. 32A up to Co-gen plant of M/s. Shri Datta Sakhar Karkhana Ltd. Asurle Porle	ORC	SCDC	Kolhapur	Karad	3.50	31.03.2017
100 kV							
53	LILO on existing 100 kV D/C MIDC Taloja ckt-I at Loc. No. 36A for M/s. DEPCL	ORC	LILO	Kalwa	Vashi	0.69	10.06.16
66 kV							
54	Height Raising of Existing 66KV Allapalli-Sironcha Line on 220KV tower (loc no. 370 to loc no. 419)	—	—	Nagpur	Nagpur	8.20	25.06.16

Annexure-III

Reply to the Statutory Auditor qualification on Audit Report for the financial year 2016-2017 (Ref. Basis for qualified opinion on Audit Report page no.2)

REPLIES TO THE STATUTORY AUDITOR REPORT FOR THE YEAR 2016-17		
Sr. No.	STATUTORY AUDITOR'S REPORT	MSETCL's Reply
I	Report on the Standalone Ind AS Financial Statements We have audited the accompanying standalone Ind AS financial statements of Maharashtra State Electricity Transmission Company Limited ('the Company'), which comprises of the Balance Sheet as at 31st March 2017, the Statement of Profit & Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS financial Statements').	Factual
II	Management's Responsibility for the Standalone Financial Statements The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under.	Factual
	This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.	Factual
III	Auditor's Responsibility Our responsibility is to express opinion on these standalone Ind AS financial statements based on our audit.	Factual
	We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.	Factual

Sr. No.	STATUTORY AUDITOR'S REPORT	MSETCL's Reply
	We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether standalone Ind AS financial statements are free from material misstatement.	Factual
	An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation and fair presentation of the standalone Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis of our audit opinion on the standalone Ind AS financial statements.	Factual
IV	<u>Basis for Qualified Opinion</u> 1. The total accumulated Delayed Payment Charges (DPC) as at 31/03/17 were of Rs. 114910 lakhs. Out of the said accumulated DPC, Company has accounted for Rs. 85499.00 lakhs (w.r.t. 3 distribution licensees) in the current year under 'Other Income'. The details/ breakup of the respective distribution licensees from whom the said DPC amount of Rs. 84599.00 lakhs is to be collected is not readily available with the Company. Company has taken reference of MERC Order in case of 31 of 2016 wherein MERC has reduced the ARR of the Company for the F.Y. 2015-16 by the said amount of Rs. 85499.00 lakhs classifying it as 'Non-Tariff Income'. Based on MERC's reference, such DPC of Rs. 85499.00 lakhs has been accounted on accrual basis considering it as a definite and certain income of which the realisability is undoubtful. The accounting of such DPC of Rs. 85499.00 lakhs as 'Other Income' is in contravention to the Company's Accounting Policy No. 2.12 which states that- "Other Income is recognized on accrual basis except when ultimate realization of such income is uncertain".	MSETCL had not booked outstanding DPC as other income in the earlier years, since MSETCL booked other income on accrual basis except when ultimate realisation of such income is uncertain. Even MERC was not adjusting transmission tariff by deducting DPC from ARR in the past. However, MERC while vide its Order in case no. 31 of 2016 approving ARR for MSETCL, for the FY 2015-16, has reduced DPC, amounting to Rs. 854.99 crs. Considering it as Non-Tariff income. Consequently, MSETCL's ARR from Transmission charges has reduced drastically. In FY 2016-17, MSETCL's revenue from Transmission Charges was only Rs. 1,979.49 Crs.

Sr. No.	STATUTORY AUDITOR'S REPORT	MSETCL's Reply
		(Rs. 223.66 for 1st 3 months and Rs. 145.39 crs. for next 9 months as against for the FY 2015-16 - Rs. 3,159.26(Rs. 461.33 crs. for 1st 2 months and Rs. 223.66 crs. for next 10 months). Since MERC has already assumed DPC as income as if released, MSETCL has also accounted for DPC in the F.Y. 2016-17 amounting to Rs.854.99 crs.
	The Company vide its Notes to account in F.Y. 15-16 (erstwhile Note No. 55 (e) had stated that - "Ultimate realisation of delayed payment charges is uncertain. Therefore, for the F.Y. 2015-16 DPC amounting to Rs. 83495 lakhs has not been booked." This clearly indicates that DPC have to be accounted for as income on realization basis only.	
	The accounting of such DPC income in current year is not in accordance of Ind AS-18 'Revenue'. As per paras 9, 14 (c) & (d), 18, 20, 22, 23 and 26 of the said Ind AS-18, recognition of revenue requires that;	
	- Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity. Ind AS 18 summarizes that revenue is to be recognized only when there is certainty of realization. - Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition should be postponed to the extent of uncertainty involved.	
	Therefore, booking of such DPC income without getting it acknowledged/ counter confirmed by the concerned parties tantamounts to accounting of 'uncertain' income in current year.	
	This has resulted in: - Overstatement of revenue for F.Y. 2016-17 by Rs. 85499 lakhs. Consequently, the company has converted the actual Net Loss before tax of Rs. 76663.97 lakhs (calculated prior to accounting of such DPC income) into Net Profit before tax of Rs.8835.03 lakhs (after accounting of DPC income). - Recognition of debtors for F.Y. 2016-17 by the same Rs 85499.00 lakhs of which the realization is uncertain.	

Sr. No.	STATUTORY AUDITOR'S REPORT	MSETCL's Reply
	2. Balances of account heads namely: (i) Sundry Debtors (GL Code: 260040, 260060), (ii) Sundry Creditors (which inter alia also includes amount payable towards MEDA Projects to Private Developers) (GL Code: 131010, 132010, 133010, 134010, 131030), (iii) Obsolete Material Stock (including scrap) (GL Code: 256010), (iv) Loss due to Material pending investigation (GL Code: 255020), (v) Assets Under Construction (GL Code: 230040-70, 230090, 232010, 237010, 237020, 237030), (vi) Adv to Contractor/ supplier (GL Code: 290010), (vii) Capital Adv for Projects (GL Code: 290020), (viii) Miscellaneous Loans & Advances (GL Code: 293050), (ix) Expense Recoverable from Vendors (GL Code: 296050, 296060), (x) Provision for Capital Work (GL Code: 150010), (xi) Security Deposit Job Work (GL Code: 123040), (xii) MSEDCL holding company ltd and its fellow subsidiaries, (xiii) Other Deposit (GL Code: 297020), (xiv) ORC Deposit (which inter alia also includes amount received towards MEDA Projects from Private Developers) (GL Code: 123100), are subject to confirmations and adjustments necessary upon reconciliation. The effect of the adjustments arising from reconciliation and settlement of old dues and possible loss that may arise on account of non recovery or partial recovery of such dues is not ascertained.	Balances with MSEDCL Holding Company and its Subsidiaries is being reconciled. Balance Confirmation from other Sundry Debtors and Creditors is under process.
V	Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, except for effects of the matters described in the 'Basis of Qualified Opinion' paragraph, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:	
	a) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March 2017	Factual
	b) In the case of Statement of Profit & Loss, of the Loss for the year ended on that date, and	Factual
	c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.	Factual
	d) In the case of the Statement of Changes in Equity, of the changes in Equity for the year ended on that date.	Factual

Sr. No.	STATUTORY AUDITOR'S REPORT	MSETCL's Reply
VI	Report on the Legal and Regulatory requirements As required by the 'Directions and sub directions' issued by office of the Principal Accountant General-III, Maharashtra vide their 'Letter' of even date in terms of section 143(5) of the Act, we give in the Annexure A- statement on the directions and sub- directions as specified in the 'Letter'.	Factual
	As required by the Companies (Auditor's Report) Order, 2016 (The Order), as amended, issued by the Central Government of India in terms of section of 143(11) of the Act, we give in the Annexure B- statement on the matters specified in paragraphs 3 and 4 of the Order.	Factual
VII	As required by section 143(3) of the Act, we report that: a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.	Factual
	b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.	Factual
	c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.	Factual
	d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the accounting standards notified under Section 133 of the Act, read with relevant rules issued there under.	Factual
	e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.	Factual
	f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".	Factual

Sr. No.	STATUTORY AUDITOR'S REPORT	MSETCL's Reply
	g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	Factual
	i) The Company has disclosed the impact of pending litigations on its financial position-Refer note 53 to the standalone financial statements.	Factual
	ii) The Company has made provisions as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivative contracts.	Factual
	iii) The company was not required to transfer any amount during the year to investor education and protection fund in accordance with the relevant provision of the Companies Act and rules made there under.	Factual
	iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as to the holding and dealings of Specified Bank Notes on November 8, 2016 and December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company - Refer Note 39 to the standalone Ind AS financial statements.	Factual

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

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

AUDITORS REPORT		MSETCL's Reply
Directions under sub-section (5) of section 143 of the Companies Act, 2013		
1	To report whether there are any cases of waiver/ write off of debts/loans/interest etc. if yes, the reasons thereof, and the amount involved. (I) It may be noted that total trade receivables of the company as per Note No. 10.2 are Rs. 267933.06 Lakhs as at 31/03/17 (excluding dues recoverable on account of IUT since the same have been reclassified under 'Non Current Loans- Note 6.2 under Asset side of Balance Sheet as per Ind AS applicability) and major portion of the same is against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL). Receivables from MSEDCL are against three parts:- (a) Transmission charges approximately being Rs. 176653.28 Lakhs as at 31/03/17 which the company recovers through STU. The said amount recoverable from MSEDCL is considered good and no provision for Bad Debts has been made against such outstanding dues. Dues from MSEDCL are received in parts but on a regular basis. (b) Dues recoverable on account of IUT (Inter Unit Transactions) which are Rs. 19684.18 Lakhs as at 31/03/17. The said IUT balances cannot be written off until it is fully reconciled C) DPC amounting to Rs. 75476.57 lakhs w.r.t. MSEDCL (out of the total DPC of Rs. 85499.00 lakhs booked) has been accounted for as income on accrual basis as per MERC Order No 31 of 2016 as at 31/03/17. However, MSEDCL does not recognize the levy of the said DPC as its liability and has not accounted for the same as its consequent expenditure.	Factual
	Thereby total amount recoverable against MSEDCL accounts for 94.10% of the total debtors of the company (excluding dues recoverable on account of IUT).	MSETCL had not booked outstanding DPC as other income in the earlier years, since MSETCL booked other income on accrual basis except when ultimate realisation of such income was uncertain. Even MERC was not adjusting transmission tariff by deducting DPC from ARR in the past. However, MERC while vide its Order in case no. 31 of 2016 approving ARR for MSETCL, for the FY 2015-16, has reduced DPC, amounting to Rs. 854.99 crs. considering it as Non-Tariff income. Consequently, MSETCL's ARR from Transmission charges has reduced drastically. In FY 2016-17,

	AUDITORS REPORT	MSETCL's Reply
		MSETCL's revenue from Transmission Charges was only Rs. 1,979.49 Crs. (Rs. 223.66) for 1st 3 months and Rs. 145.39 crs. for next 9 months as against for the FY 2015-16 - Rs. 3,159.26 (Rs. 461.33 crs. for 1st 2 months and Rs. 223.66 crs. for next 10 months). Since MERC has already assumed DPC as income as if released, MSETCL has also accounted for DPC in the F.Y. 2016-17 amounting to Rs. 854.99 crs.
	(ii) It was observed that company follows the practice of deducting "Liquidated Damages (LD)" from payments made to contractors / vendors for non fulfillment / non compliance with either scheduled date of delivery or other terms and conditions of contract. The said amount of LD gets accounted for under 'Other Non Current Financial Liabilities - Retention Money' in Liability side of Balance Sheet. A portion of such LD retained gets accounted for as income and the balance gets refunded back to the respective vendor / contractor, as the case may be, after final billing. Total amount of such LD getting reflected under liability side of balance sheet was Rs. 8691.51 Lakhs as at 31.03.17 whereas the amount of LD getting booked as income was only Rs.489.66 Lakhs as at 31/03/17. The company vide its accounting policy stated at Para 2.12 of Notes forming part of Financial statements has clarified that such LD charges gets accounted for under "Other Income" upon 'realization basis' only.	Factual
	(iii) The amount receivable by the Company including the advances given to the suppliers / sub contractors by the Company were found critically analyzed/ reviewed on regular basis. During the course of audit and as per information and explanation given to us, there were no other cases/ instances of waiver / write off of any loans/ debts / interest being given by the company during F.Y. 2016-17.	Factual
2	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities. As per information and explanations provided to us by the Management of the Company, there were no inventories or items of stores & spares lying with third parties at any time during the year under audit. Further, no assets have been received as gift from Government or other agencies by the Company during F.Y. 2016-17.	Factual

	AUDITORS REPORT	MSETCL's Reply
3	A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given. The Operations of the company are spread all across the state of Maharashtra and for operational convenience; the working of the company has been divided into 7 Zones. Details of all pending/arbitration cases, individually more than Rs. 10.00 Lacs, have been duly disclosed in Notes to Accounts under the head "Contingent Liability" for F.Y. 2016-17 at Note No. 42 to Balance Sheet. In addition to above, as per information provided, there are 29 numbers of small pending legal/arbitration cases individually less than Rs. 10.00 Lacs which are also of 'Contingent' nature. Legal expenses as and when incurred are accounted for on mercantile basis and are separately shown as "Legal and Professional Fess" under the head 'Other Expenses' in Note No. 27 of Profit & Loss Account. The total legal expenses incurred during the year amounts to Rs. 488.52 Lacs (F.Y. 2015-16 Rs 979.17 Lacs). The legal expenses were found sanctioned, paid and accounted for in routine manner as in the case of other administrative expenses.	Factual
4	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined, including the mode and present stage of disinvestment process. The company has not been selected for 'Disinvestment' purpose. Hence, the information sought is Not Applicable to the company.	Factual
	Sub-directions under sub-section (5) of section 143 of the Companies Act, 2013	
(I)	Whether there is appropriate classification of Inventory with value such as Scrap, Obsolete Material etc. It has been observed during the course of audit that there exists an appropriate system for classification of Inventory in the company. The details of GL Codes used along with their outstanding balance as at 31/03/17 for accounting various types of Inventory under SAP are as under:	Factual

AUDITORS REPORT			MSETCL's Reply																																																
	<table><tr><th rowspan="2">GL Codes</th><th rowspan="2">Description of Inventory</th><th>o/s bal as at 31/03/17</th></tr><tr><th>(Amt in Rs. Lacs)</th></tr><tr><td>250010</td><td>Steel</td><td>1,116.10</td></tr><tr><td>250020</td><td>Cement</td><td>-</td></tr><tr><td>250030</td><td>Transformers</td><td>5,620.55</td></tr><tr><td>250040</td><td>Metering Equipment & substation Equipment</td><td>9,393.75</td></tr><tr><td>250050</td><td>Cables & Conductors</td><td>7,442.26</td></tr><tr><td>250060</td><td>Poles</td><td>-</td></tr><tr><td>250070</td><td>Service Connection Material & Electrical Fittings</td><td>-</td></tr><tr><td>250080</td><td>Spares</td><td>947.06</td></tr><tr><td>250090</td><td>Others</td><td>2,538.01</td></tr><tr><td>255010</td><td>Material Pending Investigation</td><td>1.11</td></tr><tr><td>255020</td><td>Loss due to Material pending investigation</td><td>202.84</td></tr><tr><td>255030</td><td>Spl GL stores Inventory Diff</td><td>-</td></tr><tr><td>255040</td><td>MASA Stock rectification</td><td>62.70</td></tr><tr><td>256010</td><td>Obsolete Material Stock (including scrap)</td><td>(52.84)</td></tr><tr><td>256020</td><td>Damaged/ Rejected Material</td><td>-</td></tr></table> During the course of audit it was duly observed and verified that accounting for inventory was made in a proper manner except:	GL Codes	Description of Inventory	o/s bal as at 31/03/17	(Amt in Rs. Lacs)	250010	Steel	1,116.10	250020	Cement	-	250030	Transformers	5,620.55	250040	Metering Equipment & substation Equipment	9,393.75	250050	Cables & Conductors	7,442.26	250060	Poles	-	250070	Service Connection Material & Electrical Fittings	-	250080	Spares	947.06	250090	Others	2,538.01	255010	Material Pending Investigation	1.11	255020	Loss due to Material pending investigation	202.84	255030	Spl GL stores Inventory Diff	-	255040	MASA Stock rectification	62.70	256010	Obsolete Material Stock (including scrap)	(52.84)	256020	Damaged/ Rejected Material	-	
GL Codes	Description of Inventory			o/s bal as at 31/03/17																																															
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	a) GL Code: 256010- Obsolete Material- wherein it was observed that unreconciled balances are getting reflected for past many years. It has been given to understand that such unreconciled old balances getting reflected in the said GL account were mainly on account of price variations of different inventory items which have already been issued from the respective stores. In our opinion, the nomenclature of the account i.e. 'Obsolete Material' is factually incorrect and gives a wrong understanding of the adjustments made at a later date due to price variations of inventory items. Further, the said GL code also has 'negative balances' (i.e. credit balance) outstanding in many profit centers.	The GL balances will be reconciled during the FY 2017-18 & necessary accounting entries will be passed																																																	
	b) GL Code 255020 / 150070- Loss due to Material pending investigation- wherein old balances are outstanding in the books since many years.	The GL balances will be reconciled during the FY 2017-18 & necessary accounting entries will be passed																																																	

	AUDITORS REPORT	MSETCL's Reply															
	c) GL Code 255040 – MASA Stock Rectification - wherein it was observed that unreconciled balances are getting reflected for past many years.	The GL balances will be reconciled during the FY 2017-18 & necessary accounting entries will be passed															
	It is emphasized that company should either reconcile or write off balances in the above mentioned GL codes at the earliest.	After verification / scrutiny & reconciliation, necessary rectification will be carried out during the FY 2017-18															
II	Negative balances under “Advances to Contract” may be analyzed and commented with reasons and impact on financial statements. The company is in the business of transmission of power across the state of Maharashtra. To undertake such transmission work, the company has to construct sub stations, install transformers & transmission lines and execute all other related contractual / construction activities. In order to achieve such objective the company has a well documented and established “Contract Management System”. All contractors / suppliers/ vendors having business relations with the company have been allotted a unique ‘Vendor Code’ which in turn serves the purpose of individual vendor identification in SAP. The company has accounted for all such advances given to its contractors/ suppliers/ vendors under following GL Codes																
	(Amt in Rs. Lakhs) <table><tr><th>GL Codes</th><th>Description</th><th>Opening Balance as at 1/04/16</th><th>Addition/ Clearance/ adjustment during the year</th><th>Closing Balance as at 31/03/17</th></tr><tr><td>290010</td><td>Adv to Contractor/ supplier</td><td>2359.07</td><td>891.45</td><td>3250.52</td></tr><tr><td>290020</td><td>Capital Adv for Projects</td><td>6824.57</td><td>-4251.43</td><td>2573.14</td></tr></table> The data of all registered vendors, whose balances appear in either of the two GL Codes given in the table above, were individually verified so as to identify the cases (vendors) which were having ‘Negative Balances’ as at 31/03/17. Details of all such vendors are given as under:	GL Codes	Description	Opening Balance as at 1/04/16	Addition/ Clearance/ adjustment during the year	Closing Balance as at 31/03/17	290010	Adv to Contractor/ supplier	2359.07	891.45	3250.52	290020	Capital Adv for Projects	6824.57	-4251.43	2573.14	Factual
GL Codes	Description	Opening Balance as at 1/04/16	Addition/ Clearance/ adjustment during the year	Closing Balance as at 31/03/17													
290010	Adv to Contractor/ supplier	2359.07	891.45	3250.52													
290020	Capital Adv for Projects	6824.57	-4251.43	2573.14													
	<table><tr><th>Particulars</th><th>In No.</th></tr><tr><td>Vendors / Contractors wherein opening amount & closing amount had positive balance (i.e. debit balance) i.e. advances were continuing</td><td>201</td></tr><tr><td>Vendors / Contractors wherein opening amount had debit balance & closing amount had become NIL i.e. advances were squared off</td><td>17</td></tr><tr><td><i>Vendors / Contractors wherein opening amount had debit balance but closing amount had credit balance (i.e. adverse balance)</i></td><td><i>6 (Cr. bal of Rs. 892.82 Lacs as at 31.03.2017)</i></td></tr><tr><td><i>Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)</i></td><td><i>72 (Cr. bal of Rs. 5578.46 Lacs as at 31.03.2017)</i></td></tr></table>	Particulars	In No.	Vendors / Contractors wherein opening amount & closing amount had positive balance (i.e. debit balance) i.e. advances were continuing	201	Vendors / Contractors wherein opening amount had debit balance & closing amount had become NIL i.e. advances were squared off	17	<i>Vendors / Contractors wherein opening amount had debit balance but closing amount had credit balance (i.e. adverse balance)</i>	<i>6 (Cr. bal of Rs. 892.82 Lacs as at 31.03.2017)</i>	<i>Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)</i>	<i>72 (Cr. bal of Rs. 5578.46 Lacs as at 31.03.2017)</i>	After verification / scrutiny & reconciliation, necessary rectification will be carried out during the FY 2017-18					
Particulars	In No.																
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<i>Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)</i>	<i>72 (Cr. bal of Rs. 5578.46 Lacs as at 31.03.2017)</i>																

	AUDITORS REPORT	MSETCL's Reply																																								
	From analysis of the data mentioned herein above, it can be observed that the overall advances given by the company as at 31.03.2017 do not have 'Adverse / Negative Balance'. However, there are 78 individual instances / cases which had outstanding negative balance i.e, credit balance as on 31.03.2017.																																									
	It has been informed that discrepancies in such 78 individual advances may be due to (i) wrong allocation of GL Codes or (ii) shifting of data in the system at the time of implementation of SAP (i.e. Legacy data) for which the reconciliation process has been initiated.	Factual																																								
III	Whether Profit / Loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company? The Independent Auditor's Report vide its Para VII (c) specifically states that "The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account."	Factual																																								
IV	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented. The company is having adequate infrastructure -which includes 652 no. of sub-stations, transformers, and transmission lines for making transmission of the `power so generated by the generation companies operating in the state of Maharashtra. Information relating to the transmission network of the company is given in the table below:	Factual																																								
	<table><tr><th>Voltage Level</th><th>EHV Substation</th><th>Transformation Capacity (MVA)</th><th>EHV Lines (CKT KM.)</th></tr><tr><td>765 KV</td><td>1</td><td>3,000.00</td><td>-</td></tr><tr><td>500KV HVDC</td><td>2</td><td>3,582.00</td><td>1,504.000</td></tr><tr><td>400KV</td><td>30</td><td>27,210.00</td><td>8,415.497</td></tr><tr><td>220KV</td><td>219</td><td>51,610.00</td><td>16,729.427</td></tr><tr><td>132KV</td><td>315</td><td>27,854.50</td><td>14,913.310</td></tr><tr><td>110KV</td><td>36</td><td>2,305.00</td><td>1,759.365</td></tr><tr><td>100KV</td><td>38</td><td>2,798.00</td><td>701.356</td></tr><tr><td>66KV</td><td>11</td><td>853.00</td><td>682.195</td></tr><tr><td>Total</td><td>652</td><td>119,212.50</td><td>44,716.150</td></tr></table>	Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)	765 KV	1	3,000.00	-	500KV HVDC	2	3,582.00	1,504.000	400KV	30	27,210.00	8,415.497	220KV	219	51,610.00	16,729.427	132KV	315	27,854.50	14,913.310	110KV	36	2,305.00	1,759.365	100KV	38	2,798.00	701.356	66KV	11	853.00	682.195	Total	652	119,212.50	44,716.150	
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	AUDITORS REPORT	MSETCL's Reply																																																												
	Present transmission system availability and losses as against MERC benchmark are narrated as under: <table><tr><th colspan="3">HVAC System (MERC Benchmark 98%)</th></tr><tr><td>Year</td><td>2015 16</td><td>2016-17</td></tr><tr><td>Avail</td><td>99.72%</td><td>99.63%</td></tr><tr><th colspan="3">HVDC System (MERC Benchmark 95%)</th></tr><tr><td>Year</td><td>2015-16</td><td>2016-17</td></tr><tr><td>Avail</td><td>94.53%</td><td>97.00%</td></tr></table> It is a constant and ongoing endeavor of the company to improve, strengthen and further augment its infrastructural capacities so as to cope with ever increasing futuristic needs of power.	HVAC System (MERC Benchmark 98%)			Year	2015 16	2016-17	Avail	99.72%	99.63%	HVDC System (MERC Benchmark 95%)			Year	2015-16	2016-17	Avail	94.53%	97.00%	Factual																																										
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V	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts? The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the F.Y. 2016-17 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below: <table><tr><th>Intra State Transmission System (In. STS) Grid Loss for F.Y. 16-17</th><th>Energy Input Intra STS</th><th>Energy Output Intra STS</th><th>Transmission Loss</th></tr><tr><th>Month</th><th>(In Million Units)</th><th>(In Million Units)</th><th>(in % age)</th></tr><tr><td>Apr-16</td><td>12,516</td><td>12,049</td><td>3.73%</td></tr><tr><td>May-16</td><td>12,763</td><td>12,339</td><td>3.33%</td></tr><tr><td>Jun-16</td><td>11,500</td><td>11,090</td><td>3.57%</td></tr><tr><td>Jul-16</td><td>10,344</td><td>9,960</td><td>3.71%</td></tr><tr><td>Aug-16</td><td>11,140</td><td>10,730</td><td>3.68%</td></tr><tr><td>Sep-16</td><td>10,987</td><td>10,585</td><td>3.66%</td></tr><tr><td>Oct-16</td><td>11,707</td><td>11,277</td><td>3.67%</td></tr><tr><td>Nov-16</td><td>12,192</td><td>11,732</td><td>3.77%</td></tr><tr><td>Dec-16</td><td>12,502</td><td>12,075</td><td>3.42%</td></tr><tr><td>Jan-17</td><td>12,383</td><td>11,944</td><td>3.54%</td></tr><tr><td>Feb-17</td><td>12,032</td><td>11,590</td><td>3.68%</td></tr><tr><td>Mar-17</td><td>13,762</td><td>13,242</td><td>3.78%</td></tr><tr><td>Total</td><td>143,829</td><td>138,613</td><td>3.63%</td></tr></table> From perusal of the table above, it is evident that Transmission Loss incurred by MSETCL for was 3.63% which is well below the MERC's benchmark. In other words, the said loss in accounting parlance will be termed as "Normal Loss" and will not require any separate accounting in the books of accounts. It has been verified that company has duly accounted for the energy so transmitted by it during the year under audit.	Intra State Transmission System (In. STS) Grid Loss for F.Y. 16-17	Energy Input Intra STS	Energy Output Intra STS	Transmission Loss	Month	(In Million Units)	(In Million Units)	(in % age)	Apr-16	12,516	12,049	3.73%	May-16	12,763	12,339	3.33%	Jun-16	11,500	11,090	3.57%	Jul-16	10,344	9,960	3.71%	Aug-16	11,140	10,730	3.68%	Sep-16	10,987	10,585	3.66%	Oct-16	11,707	11,277	3.67%	Nov-16	12,192	11,732	3.77%	Dec-16	12,502	12,075	3.42%	Jan-17	12,383	11,944	3.54%	Feb-17	12,032	11,590	3.68%	Mar-17	13,762	13,242	3.78%	Total	143,829	138,613	3.63%	Factual
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	AUDITORS REPORT	MSETCL's Reply																																																						
VI	Whether the assets has 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'. Company also undertakes construction of small sub-stations, towers, plants etc., on behalf of other agencies on 'order specific basis'. Such works are identified in the company as 'ORC works'. The company charges 'Supervision Fees' over and above the expenditure incurred for executing such "ORC Work" which gets recognized as company's income. As per information made available by the company, details of ORC works across its different zones are given in the table below:- <table><tr><th>Sr. No.</th><th>Zones</th><th>ORC works as at 01.04.16</th><th>ORC works added during the year</th><th>ORC works completed during the year</th><th>Balance ORC works remaining as at 31.03.17</th></tr><tr><td>1</td><td>Amravati</td><td>1</td><td>0</td><td>0</td><td>1</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>6</td><td>1</td><td>0</td><td>7</td></tr><tr><td>4</td><td>Nagpur</td><td>29</td><td>11</td><td>3</td><td>37</td></tr><tr><td>5</td><td>Nasik</td><td>10</td><td>1</td><td>0</td><td>11</td></tr><tr><td>6</td><td>Pune</td><td>45</td><td>33</td><td>3</td><td>75</td></tr><tr><td>7</td><td>Vashi</td><td>41</td><td>0</td><td>0</td><td>41</td></tr><tr><td></td><td>Total</td><td>144</td><td>53</td><td>11</td><td>186</td></tr></table> "Supervision Charges" accounted during F.Y. 2016-17 on ORC Works were of Rs. 1379.03 Lacs.	Sr. No.	Zones	ORC works as at 01.04.16	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.17	1	Amravati	1	0	0	1	2	Aurangabad	12	7	5	14	3	Karad	6	1	0	7	4	Nagpur	29	11	3	37	5	Nasik	10	1	0	11	6	Pune	45	33	3	75	7	Vashi	41	0	0	41		Total	144	53	11	186	Factual
Sr. No.	Zones	ORC works as at 01.04.16	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.17																																																			
1	Amravati	1	0	0	1																																																			
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4	Nagpur	29	11	3	37																																																			
5	Nasik	10	1	0	11																																																			
6	Pune	45	33	3	75																																																			
7	Vashi	41	0	0	41																																																			
	Total	144	53	11	186																																																			
	In order to execute the ORC works, deposits are taken from parties for whom the company performs/ executes such ORC works. Such ORC deposits are accounted for under GL Code 123100 which has an outstanding balance of Rs. 27071.95 lakhs (Previous Year Rs. 15942.15 Lacs as at 31/03/16). It was observed that old unreconciled balances are appearing in the said ledger for which details were readily not available with the respective profit centre.	Factual																																																						

	AUDITORS REPORT	MSETCL's Reply
	Company also executes projects in case of generation of energy from non conventional sources. As per accounting policy 2(s), 50% of the cost of such power evacuation project is borne by Company and balance 50% is to be reimbursed by MEDA to the respective private developer. Execution of MEDA projects is done by two ways. (i) wherein the vendor gives the entire amount before hand for execution of the project to the Company as ORC deposit and the Company after the execution of project reimburses 50% to the vendor and creates the asset of the same value and the remaining 50% is paid by MEDA to the vendor. (ii) wherein the vendor itself executes the project and the Company subsequently pays 50% of the cost of project to the vendor and MEDA reimburses the remaining 50% to vendor.	
	The amount payable by Company to the vendor/ private developer is accounted for under GL code 131010. It has been observed that both such GL codes (123100 & 131010) remain unreconciled as at the year end. Complete details of such projects falling under MEDA grant are not readily available with the Company. As a result, the Asset Capitalization of such MEDA projects is not accurate.	After verification / scrutiny & reconciliation, necessary rectification will be carried out during the FY 2017-18

“ANNEXURE-B” TO INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 1 under the heading Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Ind AS financial statements of the Company for the year ended March 31, 2017, we report that:

Sr. No.	Auditor's report	MSETCL Reply
I	In respect of its fixed assets:	
	a) The Company followed the practice of maintaining their Fixed Assets details in ‘AR01’ register. The value of fixed assets as appearing in such AR01 register has been now entered in SAP system. Accordingly, the amount of total fixed assets as per SAP and AR01 register is reconciled. However, the complete quantitative details and situation of fixed assets is not available either in SAP or in AR01 register	M S E T C L h a s implemented SAP/ERP and an exercise was carried out to update the Fixed Assets Registers data incorporating the quantitative details. Instructions have been issued to carry out the physical verification of fixed assets profit center wise.
	b) The management has not undertaken physical verification of the Company's fixed assets during the year. In the absence of such record and verification we are unable to state whether there are any material discrepancies.	Necessary instructions have been passed by Competent Authority for physical verification and updation of quantity wise Asset Master
	c) The records relating to immovable properties as reflected in the Standalone Ind AS financial statements (i.e. Land Title, Lease Deed, 7/12 extract etc.) are not maintained properly or updated and the same are not reconciled with the Standalone Ind AS financial statements as at 31/03/17. In absence of complete records we are unable to state whether all such immovable properties are in the name of the Company.	C o m p i l a t i o n o f documents of land/leasehold lands is in progress, however it would take time since the same has to be collected from the respective zones. It is assured that the same will be done in the FY 2017-18
II	The Company had chalked out an annual stock verification program for the F.Y. 2016-17 and inspection/valuation of stocks lying with company was found duly carried out by the Company during the year as per the said program.	Factual
	In our opinion, the procedure of physical verification of inventory followed by the management is adequate in relation to size of the Company and the nature of its business.	Factual
	On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were not material in relation to the operations of the company.	

Sr. No.	Auditor's report	MSETCL Reply
III	As per the information furnished, the company has neither taken nor granted any loans to / from companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 hence reporting under the clause (III) - (a) to (c) of The Order is not applicable to the Company and hence not commented upon.	Factual
IV	In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.	Factual
V	During the year, the company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not apply.	Factual
VI	The Central Government has prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013 in respect of transmission of electricity. We have broadly reviewed such relevant records of the Company and in our opinion and according to the information and explanation given to us, prima facie the Company has made and maintained the prescribed records. We have not, however, carried out a detailed examination of the records with a view to determine whether they are accurate or complete.	Factual
VII	In respect of applicable statutory dues: a) According to the information & explanation given to us and on the basis of our examination of the books & records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information & explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31/03/17 for a period of more than six months from the date of becoming payable.	Factual
	b) According to the records of the Company, details of dues of Sales Tax, Income-Tax, Wealth Tax, Excise Duty, Service Tax, Cess and Customs Duty, Value added Tax, which have not been deposited as on 31st March, 2017 on account of any dispute are given below:-	Factual

Sr. No.	Auditor's report				MSETCL Reply
	Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where the matter is pending	Amount (Rs.Crores)	
	Employee State Insurance	Various Years from FY 1968 -1996	Employee State Insurance Court, Pune	0.22	The matter is pertaining to Pune Urban Zone of erstwhile MSEB regarding applicability of ESIC Scheme. The amount is pertaining to R.S.O&M Division, Pune transferred to Pune Urban Zone, MSEB. The ESIC authority appealed in 2006 in Mumbai High Court
	Income Tax- FBT	AY 2006-07	ACIT	0.18	A demand of Rs.17,57,875/- was raised by the income-tax department in terms of an Order dated 31 December 2008 passed under section 115WE (3) of the Income-tax Act,1961. A rectification application was preferred against the same - the same is pending with the Assessing Officer - after rectification of errors apparent on record viz., non credit of self-assessment tax paid and interest charged in excess under section 115WJ(3) of the Income-tax Act,1961 - no sum is payable by the Company.
	Income Tax	AY 2008-09	ACIT	3.28	A demand of Rs.3,28,40,877/- (In terms of OGE dated 22 September 2011 an amount of Rs. 3,28,40,877/- is payable. Rectification Letter dated 01 February 2012 filed with the ACIT-10(1) against the same pointing out the errors apparent on record - 1. Non granting of relief vis-à-vis the excess disallowance of depreciation to the tune of 28,11,46,639/-. After rectifying the errors amount refundable is Rs. 20,93,15,025/-. However the same has not been acted upon.)

Sr. No.	Auditor's report				MSETCL Reply
	Income Tax	AY 2009-10	CIT (Appeal)	190.01	The proceedings before CIT(A) are under process
	Income Tax	AY 2010-11	ITAT	35.19	The proceedings before ITAT are under process
	Income Tax	AY 2012-13	CIT (Appeal)	3.11	A demand of Rs. 9,36,86,930/- has been determined as payable in terms of Order dated 27 February 2017 passed u/s. 154 of the Income-tax Act, 1961 - appeal has been filed with the CIT(A) which appeal is pending adjudication.
	Income Tax	A.Y. 2013-14	CIT (Appeal)	9.37	The proceedings before CIT(A) are under process
	Income Tax	A.Y. 2014-15	CIT (Appeal)	175.24	The proceedings before CIT(A) are under process
VIII	In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institutions and banks. The Company has not borrowed any sum through debentures.				Factual
IX	Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). The Term loans raised during the year have prima facie been applied for the purpose for which they were raised.				Factual
X	During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.				Factual
XI	Based upon the audit procedure performed and the information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule 5 to the Companies Act, 2013.				Factual

Sr. No.	Auditor's report	MSETCL Reply
XII	The Company is not a Nidhi company, therefore, the provision of clause 3 (xii) of The Order is not applicable to the Company.	Factual
XIII	In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.	Factual
XVI	Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.	Factual
XV	Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3 (xv) of The Order is not applicable to the Company and hence not commented upon.	Factual
XVI	In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of The Order is not applicable to the Company.	Factual

“Annexure-C” to INDEPENDENT AUDITOR’S REPORT

(The Annexure referred to in paragraph VII (f) of our report of even date to the Standalone Ind AS financial statements of the Company for the year ended March 31, 2017).

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

Sr. No.	Auditor's report	MSETCL Reply
	We have audited the internal financial controls over financial reporting of Maharashtra State Electricity Transmission Company Limited (‘the Company’) as of 31st March, 2017 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.	Factual
	MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.	Factual
	AUDITOR’S RESPONSIBILITY Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.	Factual

Sr. No.	Auditor's report	MSETCL Reply
	MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.	Factual
	INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	Factual
	OPINION In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.	Factual

Annexure-IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2017

The preparation of Financial Statements of Maharashtra State Electricity Transmission Company Limited, Mumbai for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on the independent audit in accordance with the Standards of Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 September 2017.

I on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the Financial Statements of Maharashtra State Electricity Transmission Company Limited, Mumbai for the year ended 31st March 2017. 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.

Comments on Profitability

Ind AS Compliant Statement of Profit & Loss

Revenue from Operation (Note 22):- Rs. 2162.05 crores.

1. This does not include Bay maintenance charges of Rs. 181.64 lakhs upto March 2017 receivable from M/s Power Grid Corporation India Limited (PGCIL) and M/s Maharashtra Eastern Grid Power Transmission Company Ltd (MEGPTCL). This has resulted in understatement of Revenue from operations by Rs. 181.64 lakhs and subsequent understatement of Trade Receivables and overstatement of loss for the year to that extent.

Income - Other Income (Note 23): - Rs. 1033.31 crores

2. This does not include interest of Rs 54.19 lakhs on outstanding mobilization advance pending recovery from M/s G.K Power and M/s Rounak Industries. This has resulted in understatement of Other Income and Trade Receivable with overstatement of Loss for the year to the extent of Rs. 54.19 lakhs.
3. Though the Company was having retention money with it, interest and penalty of Rs. 185.00 lakhs was not recognised for the non execution of work (terminated in 2015-16) resulting in understatement of Other Income and overstatement of Current Liabilities to the extent of Rs 185.00 lakhs with consequent overstatement of loss to that extent.
4. This is understated by Rs. 135.00 lakhs due to non-adjustment of the penalty and interest from the retention money of the contractor resulting in understatement of Other Income, Overstatement of Non-Current Liabilities and Loss for the year to the extent.

Comments on Financial Position

Balance Sheet

Assets

Non-Current Assets

Property, Plant and Equipment (Note 4.1): Rs.16,222.78 crores

5. This includes Rs.43.52 lakh being the excess price variation paid on mobilization advance to various contractors. The price variation is allowed on the basic price of supply, erecting and civil works and should not have been granted on mobilisation advance. This has resulted in overstatement of Property, Plants and Equipment's and understatement of other receivables to the extent of Rs 43.52 lakh.

Capital Work-in-progress (Note 4.2): Rs. 2,68,633.64 lakhs

6. This includes Rs 217.00 lakh 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 lakh.
7. This also includes Rs 159.42 lakh being ineligible price variation paid to the contractors on the tax element included in the price of the materials which resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables by Rs 159.42 lakh.

Equity and Liabilities

Other Equity (Note no 13) Rs 1095.88 crores

Reserves and Surplus: Rs 380.98 crores

8. This includes Rs 449.00 lakh being the cost of ORC works treated as Income during 2014-15. The Company assured to make necessary adjustment during 2016-17. The non-compliance of the assurance resulted in continuance of the overstatement of Reserves and Surplus and Fixed Assets to the extent of Rs 449.00 lakh with consequent effect on the depreciation and loss for the year.

Other Non-Current Financial Liabilities (Note: 14.2):- Rs. 1,467.89 crore

- 9 (a). This includes Rs.2790.00 lakh deposited by M/s MEGPTCL towards capital works which have already been completed .As per the practice being followed by the Company, such deposits are adjusted against the cost of assets. Non adjustment of deposits for completed capital works resulted in overstatement of Other Non-current liabilities with corresponding overstatement of Fixed Assets to the extent of Rs 2790.00 lakh.
- 9 (b). This also included Rs 38.80 lakh being the supervision charges received in respect of works which have already been completed. This should have been recognised as Other Income as per Ind AS 18. Non adjustment of the supervision charges resulted in understatement of Other Income with corresponding overstatement of Loss and Other Liabilities to the extent of Rs 38.80 lakh.
10. This includes Rs 400.00 lakh being deposit for construction of bays under ORC works against which the existing bays were allotted to the parties. As such, the deposits of Rs 400 lakh should have been set off by transferring the same to Other Income. This has resulted in understatement of Other Income and Overstatement of Non-current liabilities and loss to the extent of Rs 400.00 lakh.
11. In response to the Audit Comments for the year 2015-16, the Company assured to adjust the deposits pertaining to the completed ORC works amounting to Rs 9,026.00 lakh during 2016-17 against Fixed Assets. The non compliance of the assurance resulted in continuance of overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs 9,026.00 lakh with consequent effect on the depreciation and the Loss for the year.

Other Current Liabilities (Note 19): Rs.4.96 crore

12. This does not include Rs 363.00 lakh towards levy of Labour Welfare cess to be collected from the Contractors in respect of Five Account Rendering Units for the period from July 2010 to June 2016. This has resulted in understatement of Other Receivables and Other Current Liabilities to the extent of Rs 363.00 lakh.

Auditor's Report

- 13 (a). The Ind AS Compliant Statement of Profit and Loss of the Company for the year ended 31st March 2017 showed a Loss of Rs 506.94 lakh. However, the Auditors under para V(b) of the Independent Auditor's Report gave a qualified opinion that the company made 'Profit' for the year 2016-17. The qualification made by the Auditors is not correct to this extent.
- 13 (b). The recovery and remittance of Cess relating to the period 01.07.2010 to 30.06.2016 under the Building and Other Construction Worker's Welfare Cess Act, 1996 were not made as on the date of Balance Sheet in respect of Five Account Rendering Units. As such, the reporting under para VII (a) of the Annexure B to the Independent Auditors Report is not in conformity with the requirements of Companies (Auditor's Report) Order, 2016 to that extent.

For and on behalf of
Comptroller and Auditor General of India

Sd/-
(P. Madhavi)
Accountant General
(Audit)-III

Place : Mumbai
Date : December 8, 2017

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON ACCOUNTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31st MARCH 2017 AND MSETCL'S RESPONSE THEREUPON

Sr. No.	CAG's COMMENTS	MSETCL's Reply
	The preparation of Financial Statements of Maharashtra State Electricity Transmission Company Limited, Mumbai for the year ended 31st March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on the independent audit in accordance with the Standards of Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 27th September 2017.	Factual
	I on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the Financial Statements of Maharashtra State Electricity Transmission Company Limited, Mumbai for the year ended 31st March 2017. 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.	Factual
A	Comments on Profitability Ind AS Compliant Statement of Profit & Loss Revenue from Operation (Note 22):- Rs. 2162.05 crores.	
1	This does not include Bay maintenance charges of Rs 181.64 lakhs upto March 2017 receivable from M/s Power Grid Corporation India Limited (PGCIL) and M/s Maharashtra Eastern Grid Power Transmission Company Ltd (MEGPTCL). This has resulted in understatement of Revenue from operations by Rs 181.64 lakhs with subsequent understatement of Trade Receivables and overstatement of loss for the year to that extent.	a) As per para 20 & 23 of IND AS 18 w.r.t. Revenue, Revenue is recognized only when ALL the conditions as stated under para 20 are met. The 1st condition of IND AS 18 para 20 is that revenue is to be recognized only when the amount of revenue can be measured reliably; Further as per para 23 of IND AS 18, it is stated that 'reliable' estimates w.r.t. revenue can only be made if both the parties involved in the transaction have agreed to the terms & conditions of the transaction. In other words, both parties have entered into an MOU. It is pertinent to note that the MOU between PGCIL and MSETCL for all the 6 bays

Sr. No.	CAG's COMMENTS	MSETCL's Reply
		to be maintained under EHV O & M Circle Aurangabad was entered during May 2017 & July 2017. Therefore, the bay maintenance charges can only be rightly considered as revenue in F.Y. 2017-18. Hence, the necessary entries for booking the revenue has been accounted in FY 2017-18. b) In the case of Rs. 89.14 lakhs related to Maharashtra Eastern Grid Power Transmission Company Ltd, we are in agreement with fact that principally the same should have been booked on accrual basis for the F.Y. 2016-17. However, the total revenue for the F.Y. 2016-17 was Rs. 319536.33 lakhs and the said amount of Rs. 89.14 lakhs is only 0.028% of total revenue. Company assures to take due precaution in future for the same.
2	Income - Other Income (Note 23): - Rs. 1033.31 crores This does not include interest of Rs 54.19 lakhs on outstanding mobilization advance pending recovery from M/s G.K Power and M/s Rounak Industries .This has resulted in understatement of Other Income and Trade Receivable with overstatement of Loss for the year to the extent of Rs. 54.19 lakhs .	The said issue will be examined by Competent Authority and necessary provision, if required thereafter will be made in FY 2017-18 and recovery of the said Interest amount, if levied will be made from the relevant parties.
3	Though the Company was having retention money with it, interest and penalty of Rs 185.00 lakhs was not recognised for the non-execution of work (terminated in 2015-16) resulting in understatement of Other Income and overstatement of Current Liabilities to the extent of Rs 185.00 lakhs with Consequent overstatement of loss to that extent.	MSETCL had cancelled the work of construction of 220 KV Padghe - Ambernath-II Line under EPC strategic alliance project, package-LL2B on 16/06/2016. It was decided to recover the amount of penalty of Rs. 80 lakh and Interest of Rs. 105 Lakhs from the outstanding RA/ Retention bills of M/s Isolux & Soma JV. The said decision was conveyed to the EHV Construction Circle

Sr. No.	CAG's COMMENTS	MSETCL's Reply
		Nashik vide letter SE/EHVCC/KLW/Tech/No.1600 dtd 16/09/2016. However, the recovery was not able to be done at Project Circle, Nashik. Later it was decided by the Corporate Office to recover the total amount of Rs. 185 Lakhs (Rs. 80 lakhs + Rs. 105 Lakhs) by encashing the bank guarantee of the Party and the same was intimated to Project Circle, Kolhapur vide letter no - MSETCL/CO/DC&M/Post Tender / T K C - II/Isolux/10060 dtd 13/09/2017. Since the final decision regarding encashment of bank guarantee to recover the said amount was taken in F.Y. 2017-18, the effect of the recovery was correctly accounted for and booked in FY 2017-18 in system vide document no-100093270 dtd 05/10/2017
4	This is understated by Rs 135.00 lakhs due to non adjustment of the penalty and interest from the retention money of the contractor resulting in understatement of Other Income, Overstatement of Non-Current Liabilities and Loss for the year to the extent.	The time limit extension for the related Nagpur CCM Circle was granted in F.Y. 2016-17 itself and the amount of Rs. 135 lakhs on account of Penalty was recoverable from the contractor in F.Y. 2016-17. However, the said amount of Penalty was not recovered from the contractor in F.Y.2016-17. The company assures to adjust the same from the retention of the contractor and account for the same in F.Y. 2017-18.

Sr. No.	CAG's COMMENTS	MSETCL's Reply
B Comments on Financial Position Balance Sheet Assets 5 Non-Current Assets Property, Plant and Equipment (Note 4.1): Rs.16,222.78 crores	This includes Rs.43.52 lakh being the excess price variation paid on mobilization advance to various contractors. The price variation is allowed on the basic price of supply, erecting and civil works and should not have been granted on mobilization advance. This has resulted in overstatement of Property, Plants and Equipment's and understatement of Other receivables to the extent of Rs 43.52 lakh.	Out of this recovery, Rs. 18.00 Lakhs pertains to M/s. KPTL which is being recovered from the ensuing bill to be submitted by M/s. KPTL. Remaining amount of Rs. 25.52 Lakhs pertains to M/s. ECI Shaghahi. 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.
6	Capital Work-in -progress (Note 4.2): Rs. 2,68,633.64 lakhs This includes Rs 217.00 lakh 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 lakh.	MSETCL had awarded the work of 220 KV NandgaonPeth S/Stn and 220KV Anjangaon S/Stn along with its associated lines in Amravati District and 220 KV Malegaon S/St and 132 KV JalgaonJamod S/Stn along with their associated lines in Buldhana District to M/s ECI -Shanghai JV. However, due to non-performance of M/s ECI-Shanghai JV, MSETCL had terminated their EPC contract vide letter MSETCL/ED(P)/EPC/6243 dated 08/05/12. In order to safeguard the materials and assets w.r.t. the above mentioned projects lying at the above mentioned sites and to avoid the possibility of theft, the competent authority decided to provide MSETCL's security at those sites. Thus, the expenditure so incurred on providing services of security guards during the period 2011-12 to March 2017 was accounted for under Capital Work in Progress. Which will be treated as receivable and reduced will be accounted for in the F.Y. 2017-18

Sr. No.	CAG's COMMENTS	MSETCL's Reply
		MSETCL, inturn 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.
7	This also includes Rs. 159.42 lakh being ineligible price variation paid to the contractors on the tax element included in the price of the materials which resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables by Rs. 159.42 lakh.	The partial amount has been recovered in FY 2017-18 & only remaining recovery of Rs. 39 Lakhs is in progress.
8	Equity and Liabilities Other Equity (Note no 13) Rs. 1095.88 crores Reserves and Surplus : Rs. 380.98 crores This includes Rs. 449.00 lakh being the cost of ORC works treated as Income during 2014-15. The Company assured to make necessary adjustment during 2016-17. The non compliance of the assurance resulted in continuance of the overstatement of Reserves and Surplus and Fixed Assets to the extent of Rs 449.00 lakh with consequent effect on the depreciation and loss for the year.	Statutory Auditor's vide their Audit Report para IV 2(xiv) have qualified the said account related to ORC deposits as unreconciled. The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.

Sr. No.	CAG's COMMENTS	MSETCL's Reply
9 (a)	Other Non-Current Financial Liabilities (Note: 14.2) :- Rs. 1,467.89 crore This includes Rs.2790.00 lakh deposited by M/s MEGPTCL towards capital works which have already been completed .As per the practice being followed by the Company, such deposits are adjusted against the cost of assets. Non adjustment of deposits for completed capital works resulted in overstatement of Other Non-current liabilities with corresponding overstatement of Fixed Assets to the extent of Rs 2790.00 lakh.	In the above context, it is to submit that M/S MEGPTCL has deposited Rs. 2790 Lakhs (excluding supervision charges) towards MSETCL for construction of 2X765kV End bays at 765kV Ektuni s/s for 765kV Akola-Aurangabad line Ckt-I & II. Cost estimate of 2X765kV End bays consist of electrical part & civil part of works required for construction of bays. 2X765kV End bays were commissioned on 27.05.2016. Amount incurred for construction of 765kV End bays was capitalized in SAP system and deposit of Rs. 2790 Lakhs (excluding supervision charges) is being adjusted against the asset in FY 2017-18 excluding the taxes. Actual cost for civil part of works & electrical part of works is derived on pro-rata basis for some of the items as common facilities for total substation works. Civil expenses details are under scrutiny and will be clubbed with electrical works expenses to submit revised demand note to M/S MEGPTCL. It is hereby submitted that the amount of Rs. 2790 Lakhs (excluding supervision charges) will be settled in year 2017-18 from the ORC deposits head with reference to the work completion at site & appropriate entry will be passed in SAP. It is further stated that Statutory Auditors in their Audit Report relating to F.Y. 2016-17, vide para IV-2(xiv) had duly qualified that Account GL Code 123100-ORC Deposit are unreconciled.

Sr. No.	CAG's COMMENTS	MSETCL's Reply
9 (b)	This also included Rs 38.80 lakh being the supervision charges received in respect of works which have already been completed. This should have been recognised as Other Income as per Ind AS 18. Non adjustment of the supervision charges resulted in understatement of Other Income with corresponding overstatement of Loss and Other Liabilities to the extent of Rs 38.80 lakh.	The amount of Rs. 38.80 lakhs has been booked under other income in FY 2017-18 vide document no 100110981.
10	This includes Rs 400.00 lakh being deposit for construction of bays under ORC works against which the existing bays were allotted to the parties. As such, the deposits of Rs 400 lakh should have been set off by transferring the same to Other Income. This has resulted in understatement of Other Income and Overstatement of Non-current liabilities and loss to the extent of Rs 400.00 lakh.	In order to execute ORC works, deposits are taken from the parties for whom company performs/executes such ORC works. Aurangabad EHV O&M Circle has executed 7 ORC works with Rs 221 lakhs including supervision charges and Nagpur O&M Circle had completed 8 ORC works worth Rs.237.00 lakhs. Work Completion Report (WCR) against all the ORC works executed were received in the month of November 2017. Necessary accounting entry will be passed in FY 2017-18 as per the assets identified in Fixed Asset Register in accordance with the guidelines issued in context to Ind AS Policy.
11	In response to the Audit Comments for the year 2015-16, the Company assured to adjust the deposits pertaining to the completed ORC works amounting to Rs 9,026.00 lakh during 2016-17 against Fixed Assets. The non compliance of the assurance resulted in continuance of overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs 9,026.00 lakh with consequent effect on the depreciation and the Loss for the year.	Statutory Auditor's vide their Audit Report para IV 2(xiv) have qualified the said account related to ORC deposits as unreconciled. The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.

Sr. No.	CAG's COMMENTS	MSETCL's Reply
12	Other Current Liabilities (Note 19): Rs. 4.96 crore This does not include Rs 363.00 lakh towards levy of Labour Welfare cess to be collected from the Contractors in respect of Five Account Rendering Units for the period from July 2010 to June 2016. This has resulted in understatement of Other Receivables and Other Current Liabilities to the extent of Rs 363.00 lakh.	On the basis of information collected from 5 Field Offices, it is reported that Company has till date recovered total amount of Rs 184.05 lakhs which has duly been deposited with Govt. However balance amount of Rs. 178.05 Lakhs would be recovered from the respective vendors & paid.
13 (a)	Auditor's Report The Ind AS Compliant Statement of Profit and Loss of the Company for the year ended 31st March 2017 showed a Loss of Rs 506.94 lakh. However, the Auditors under para V(b) of the Independent Auditor's Report gave a qualified opinion that the company made 'Profit' for the year 2016-17. The qualification made by the Auditors is not correct to this extent.	Though there is Profit before tax of Rs. 8835.03 lakhs, finally there is a loss of Rs. 506.94 lakhs due to tax provisions.
13 (b)	The recovery and remittance of Cess relating to the period 01.07.2010 to 30.06.2016 under the Building and Other Construction Worker's Welfare Cess Act, 1996 were not made as on the date of Balance Sheet in respect of Five Account Rendering Units. As such, the reporting under para VII (a) of the Annexure B to the Independent Auditors Report is not in conformity with the requirements of Companies (Auditor's Report) Order, 2016 to that extent.	The amount recovered till date of Rs 184.05 lakhs has been duly deposited by MSETCL w.r.t. Labour Cess. After identification of the amount payable w.r.t. government dues, the same have been immediately paid to the respective government authority. Payment of such labour cess by the Company implies that there are no disputes relating to deposit of such labour cess. Vide para VII(a) of CARO, it is mandatorily required to comment whether the company is generally regular in depositing undisputed statutory dues or not. Since all the labour Cess dues amounting to Rs. 184.05 lakhs, so collected have duly been paid, there does not remain any reportable dispute.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 26.12.2017

Sd/-
Rajeev Kumar Mital
Chairman & Managing Director

Annexure-V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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 there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made there under; (not applicable as the Company is Public Unlisted Company);
- (iii) The Depositories Act, 1996 and the Regulations and by - laws framed there under; (not applicable as Company’s shares are in physical form);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (not applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) were not applicable as the Company is Unlisted Public Company:-

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

Electricity Act, 2003

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**applicable w.e.f. 1st July, 2015**).
- (ii) SEBI (Listing Obligation and disclosure Requirement) Regulation, 2015 is not applicable to the Company.
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations / non - compliances:

Under Companies Act, 2013:

- The Nomination and Remuneration Committee is not duly constituted as required under section 178 of the Companies Act, 2013.

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

I further report that –

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

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

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

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

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

- (I) Public / preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations

For A. Y. Sathe & Co.
Company Secretaries

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

Place: Mumbai

Date: 14th November, 2017

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

ANNEXURE – I to MR-3

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

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

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

For A. Y. Sathe & Co.
Company Secretaries

Sd/-
CS Ajit Sathe
(Proprietor)

Place: Mumbai
Date: 14th November, 2017

REPLIES TO THE SECRETARIAL AUDITOR REPORT FOR THE YEAR 2016-2017	
Auditors Report	MSETCL's Remarks
The Nomination and Remuneration Committee is not duly constituted as required under section 178 of the Companies Act, 2013.	Factual As per MCA notification dated 05.07.2017 read with notification 13.07.2017 regarding amendment to Companies (Appointment and Qualification of Directors) Rules, 2014 a wholly owned subsidiary company is exempted from the requirement of constituting Nomination and Remuneration Committee. MSETCL is a wholly own subsidiary of MSEB Holding Company Limited. MSETCL is exempted from constituting NRC but as good corporate governance practice the Management will reconstitute the NRC as required by Section 178 and will continue with the Committee

For and on behalf of the Board of Directors

Sd/-
Rajeev Kumar Mital
Chairman & Managing Director

Place : Mumbai
Date : 26.12.2017

Annexure VI

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31 st -March-2016]				No. of Shares held at the end of the year[As on 31 st -March-2017]				% 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) FIs -	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31 st -March-2016				No. of Shares held at the end of the year[As on 31 st -March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts -	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	N.A.	8984974733	8984974733	100%	N.A.	8984974733	8984974733	100%	NIL

B) Shareholding of Promoter-

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

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

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	99.99	8984974733	99.99
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change	No change	No change	No change
	At the end of the year	8984974673	99.99	8984974673	99.99

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

E) Shareholding of Directors and Key Managerial Personnel:

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

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.):	0	00	0	00
	At the end of the year -	10	Negligible	10	Negligible

2. Shri Arvind Singh, 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 increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	NIL	0	NIL
	At the end of the year -	10	Negligible	10	Negligible

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

Sr. No.	Shareholding of each Directors or each key managerial personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	00	0	00
	At the end of the year	10	Negligible	10	Negligible

4. Shri R.D. Chavan, 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	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	00	0	00
	At the end of the year -	10	Negligible	10	Negligible

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

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.):	0	00	0	00
	At the end of the year -	10	Negligible	10	Negligible

6. Ms. Vineeta Shriwani, Company Secretary

Sr. No.	Shareholding of each Directors or each key managerial personal	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	00	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)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	703218	10412	0	713630
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	9208	0	0	9208
Total (i+ii+iii)	712426	10412	0	722838
Change in Indebtedness during the financial year				
* Addition	61185	399159	0	460344
* Reduction	91449	340704	0	432153
Net Change	-30264	58455	0	28191
Indebtedness at the end of the financial year				
i) Principal Amount	672954	68867	0	741821
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	8588	0	0	8588
Total (i+ii+iii)	681542	68867	0	750409

Note : Figures includes IndAs adjustment

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Chairman and Managing Director (01.04.2016 to 31.03.2017)	Whole Time Director (01.04.2016 to 31.03.2017)			Total Amount
		Shri Rajeev Kumar Mital	Shri O. K. Yempal	Shri R.D. Chavan	Shri Vinayak Sathe	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2026162	2658079	2178124	1360802	8223167/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	395196	0	0	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit					
5	Others, specify...					
	Others, please specify Reimbursements-Book/Orderly/Ent.allow/Prof. Pursuit	38400	159420	159420	145692	502932/-
	Total (A)	2064562	3212695	2337544	1506494	8726099/-

B. Remuneration to other directors

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors:					
	Fee for attending board and committee meetings – Rs. 5000/- per Meeting	Smt. Pushpa Chavan Shri Vishwas Pathak				60000 90000
2						
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					150000
	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)					150000
	Total Managerial Remuneration					150000

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

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
			Ms. Vineeta Shriwani (01.04.2016 to 31.03.2017)		
1	Gross salary	NA		NA	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1292886		1292886/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	191027		191027/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0		
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	- -	- -	- -	- -
5	others, specify...	-	-	-	-
	Others, please specify	-	159420	-	159420/-
	Total		1,643,333		1,643,333/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Sd/-
Rajeev Kumar Mital
Chairman & Managing Director

Place : Mumbai
Date : 26.12.2017

Annexure VII

Annual Report on Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Companies Act, 2013 and the Rules made there under. 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:<http://www.mahatransco.in/wps/wcm/connect/0d07d4004c1637f89db3fd0804186c66/CSR+policy+of+MSETCL+%28English%29.pdf?MOD=AJPERES&CACHEID=0d07d4004c1637f89db3fd0804186c66>

The aims & objectives of this Policy are as under –

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

Funding of CSR activities:

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

The composition of the CSR Committee.

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

Details of CSR Fund for the F.Y. 2016-2017:

Average Net Profit of the company for last three financial years (Rs. In Lakhs)	CSR Fund (2% of Average Net Profit) (In Rs.)			CSR Funds Spent during the F.Y. 2016-17 (In Rs.)	Projects in which funds have been spent	Amount unspent, if any	Reason for not spending
	F.Y.13-14	F.Y.14-15	F.Y.15-16				
18,725	NIL	33,00,00,000	44,48,00,000	4,02,70,114	1.Erection & commissioning of LED street lights (80 poles approx.) on the road (5 Kms approx) from Koradi Devi Mandir to Suradevi Railway Station. (Rs.49,79,000) 2. Design, manufacture, supply, civil work, erection, testing and commissioning of 16 Mtr and 12.5 Mtr highmast lighting system (Total 46 highmast LED lights in 27 villages) for project affected rural area nearby 3 X 660 MW Koradi Expansion Project. (Rs.2,93,97,114) 3. Providing potable water through drinking water ATM to the nearby 6 villages such as Khairy, Kawatha, Suradevi, Waregaon, Mhasala and Lonkhairy in the vicinity of 3X660 MW and 3X210 MW Koradi Thermal Power Stations. (Rs.59,00,000)	Rs.73,45,29,886	1.Three CSR Projects amounting to Rs.5,43,56,32 5/- are approved by the Board. Their work is in progress and fund will be spent during F.Y. 2017 - 18. 2. Process of identifying new CSR Projects is in progress

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

Potable water through drinking water ATM to the villagers in the vicinity of 3X660 MW and 3X210 MW Koradi Thermal Power Stations.



For and on behalf of the Board of Directors

Sd/-
Rajeev Kumar Mital
Chairman & Managing Director

Place : Mumbai
Date : 26.12.2017

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

I) Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Maharashtra State Electricity Transmission Company Limited** ('the Company'), which comprises of the Balance Sheet as at **31st March 2017**, the Statement of Profit & Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS financial Statements').

II) Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III) Auditor's Responsibility

Our responsibility is to express opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether standalone Ind AS financial statements are free from material misstatement.

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

IV) Basis for Qualified Opinion

1. The total accumulated Delayed Payment Charges (DPC) as at 31/03/17 were of Rs. 114910 lakhs. Out of the said accumulated DPC, Company has accounted for Rs. 85499.00 lakhs (w.r.t. 3 distribution licensees) in the current year under 'Other Income'. Company has taken reference of MERC Order in case of 31 of 2016 wherein MERC has reduced the ARR of the Company for the F.Y. 2015-16 by the said amount of Rs. 85499.00 lakhs classifying it as 'Non Tariff Income'. Based on MERC's reference, such DPC of Rs. 85499.00 lakhs has been accounted on accrual basis considering it as a definite and certain income of which the reliability is undoubtful.

The accounting of such DPC of Rs. 85499.00 lakhs as 'Other Income' is in contravention to the Company's Accounting Policy No. 2.12 which states that- "Other Income is recognized on accrual basis **except when ultimate realization of such income is uncertain**".

The Company vide its Notes to account in F.Y. 15-16 (erstwhile Note No. 55 (e)) had stated that - "Ultimate realisation of delayed payment charges is uncertain. Therefore, for the F.Y. 2015-16 DPC amounting to Rs. 83495 lakhs has not been booked." This clearly indicates that DPC have to be accounted for as income on realization basis only.

The accounting of such DPC income in current year is not in accordance of Ind AS-18 'Revenue'. As per paras 9, 14 (c) & (d), 18, 20, 22, 23 and 26 of the said Ind AS-18, recognition of revenue requires that;

- Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity. Ind AS 18 summarizes that revenue is to be recognized only when there is certainty of realization.
- Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition should be postponed to the extent of uncertainty involved.

The Company has now booked such DPC as Income on accrual basis without getting any counter confirmation/assurance from constituents/distribution licences on which the same have been levied. Hence, the same tantamount to accounting of 'uncertain' income in current year.

This has resulted in:

- Overstatement of revenue for F.Y. 2016-17 by Rs. 85499 lakhs.
- Conversion of the actual actual Net Loss before tax of Rs. 76663.97 lakhs (calculated prior to accounting of such DPC income) into Net Profit before tax of Rs.8835.03 lakhs (after accounting of DPC income).
- Recognition of debtors for F.Y. 2016-17 by the same Rs 85499.00 lakhs of which the realization is uncertain.

2. Balances of account heads namely:

- (i) Sundry Debtors (GL Code: 260040, 260060),
- (ii) Sundry Creditors (which inter alia also includes amount payable towards MEDA Projects to Private Developers)(GL Code: 131010, 132010, 133010, 134010, 131030),
- (iii) Obsolete Material Stock (including scrap) (GL Code: 256010),
- (iv) Loss due to Material pending investigation (GL Code: 255020),
- (v) Assets Under Construction (GL Code: 230040-70, 230090, 232010, 237010, 237020, 237030),
- (vi) Adv to Contractor/ supplier (GL Code: 290010),
- (vii) Capital Adv for Projects (GL Code: 290020),
- (viii) Miscellaneous Loans & Advances (GL Code: 293050),
- (ix) Expense Recoverable from Vendors (GL Code: 296050, 296060),
- (x) Provision for Capital Work (GL Code: 150010),

- (xi) Security Deposit Job Work (GL Code: 123040),
- (xii) MSEB holding company Ltd. and its fellow subsidiaries,
- (xiii) Other Deposit (GL Code: 297020),
- (xiv) ORC Deposit (which inter alia also includes amount received towards MEDA Projects from Private Developers) (GL Code: 123100).

are subject to confirmations and adjustments necessary upon reconciliation. The effect of the adjustments arising from reconciliation and settlement of old dues and possible loss that may arise on account of non recovery or partial recovery of such dues is not ascertained.

V) Qualified Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March 2017
- b) In the case of Statement of Profit & Loss, of the Profit for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- d) In the case of the Statement of Changes in Equity, of the changes in Equity for the year ended on that date.

VI) Report on the Legal and Regulatory requirements

As required by the 'Directions and sub directions' issued by office of the Principal Accountant General-III, Maharashtra vide their 'Letter' of even date in terms of section 143(5) of the Act, we give in the **Annexure A-** statement on the directions and sub- directions as specified in the 'Letter'.

As required by the Companies (Auditor's Report) Order, 2016 (The Order), as amended, issued by the Central Government of India in terms of section of 143(11) of the Act, we give in the Annexure B- a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the accounting standards notified under Section 133 of the Act, read with relevant rules issued there under.
- e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".

- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position-Refer note 42 to the standalone financial statements.
 - ii) The Company has made provisions as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivative contracts.
 - iii) The company was not required to transfer any amount during the year to investor education and protection fund in accordance with the relevant provision of the Companies Act and rules made there under.
 - iv) The Company has provided requisite disclosures in the standalone Ins AS financial statements as to the holding and dealings of Specified Bank Notes on November 8, 2016 and December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company - Refer Note 39 to the standalone Ind AS financial statements.

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

Sd/-
Siddharth Jain
Partner
M. No 104709

Date : 27th September, 2017
Place : **Mumbai**

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

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

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

- 1) To report whether there are any cases of waiver/ write off of debts/loans/interest etc. if yes, the reasons thereof, and the amount involved.**
- (i) It may be noted that total trade receivables of the company as per Note No. 10.2 are Rs. 267933.06 Lakhs as at 31/03/17 (*excluding dues recoverable on account of IUT since the same have been reclassified under 'Non Current Loans- Note 6.2 under Asset side of Balance Sheet as per Ind AS applicability*) and major portion of the same is against Maharashtra State Electricity Distribution Company Ltd. (MSEDCL). Receivables from MSEDCL are against three parts:-
 - (a) Transmission charges approximately being Rs. 176653.28 Lakhs as at 31/03/17 which the company recovers through STU. The said amount recoverable from MSEDCL is considered good and no provision for Bad Debts has been made against such outstanding dues. Dues from MSEDCL are received in parts but on a regular basis.
 - (b) Dues recoverable on account of IUT (Inter Unit Transactions) which are Rs. 19684.18 Lakhs as at 31/03/17. The said IUT balances cannot be written off until it is fully reconciled
 - (c) DPC amounting to Rs. 75476.57 lakhs w.r.t. MSEDCL (*out of the total DPC of Rs. 85499.00 lakhs booked*) has been accounted for as income on accrual basis as per MERC Order No 31 of 2016 as at 31/03/17. However, MSEDCL does not recognize the levy of the said DPC as its liability and has not accounted for the same as its consequent expenditure.

Thereby total amount recoverable against MSEDCL accounts for 94.10% of the total debtors of the company (*excluding dues recoverable on account of IUT*).

- (ii) It was observed that company follows the practice of deducting "Liquidated Damages (LD)" from payments made to contractors / vendors for non fulfillment / non compliance with either scheduled date of delivery or other terms and conditions of contract. The said amount of LD gets accounted for under 'Other Non Current Financial Liabilities - Retention Money' in Liability side of if Balance Sheet. A portion of such LD retained gets accounted for as income and the balance gets refunded back to the respective vendor / contractor, as the case may be, after final billing. Total amount of such LD getting reflected under liability side of balance sheet was Rs.8691.51 Lakhs as at 31.03.17 whereas the amount of LD getting booked as income was only Rs.489.66 Lakhs as at 31/03/17. The company vide its accounting policy stated at Para 2.12 of Notes forming part of Financial statements has clarified that such LD charges gets accounted for under "Other Income" upon 'realization basis' only.
- (iii) The amount receivable by the Company including the advances given to the suppliers / sub contractors by the Company were found critically analyzed/ reviewed on regular basis.

During the course of audit and as per information and explanation given to us, there were no other cases/ instances of waiver / write off of any loans/ debts / interest being given by the company during F.Y. 2016-17.

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

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

Further, no assets have been received as gift from Government or other agencies by the Company during F.Y. 2016-17.

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

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

Details of all pending/arbitration cases, individually more than Rs. 10.00 Lakhs, have been duly disclosed in Notes to Accounts under the head "Contingent Liability" for F.Y. 2016-17 at Note No. 42 to Balance Sheet.

In addition to above, as per information provided, there are 74 numbers of small pending legal/arbitration cases individually less than Rs. 10.00 Lakhs which are also of 'Contingent' nature.

Legal expenses as and when incurred are accounted for on mercantile basis and are separately shown as "Legal and Professional Fees" under the head 'Other Expenses' in Note No. 27 of Profit & Loss Account. The total legal expenses incurred during the year amounts to Rs. 488.54 Lakhs (F.Y. 2015-16 Rs 979.17 Lakhs).

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

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

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

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

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

It has been observed during the course of audit that there exists an appropriate system for classification of Inventory in the company. The details of GL Codes used along with their outstanding balance as at 31/03/17 for accounting various types of Inventory under SAP are as under:

GL Codes	Description of Inventory	o/s bal as at 31/03/17 (Amt in Rs. Lacs)
250010	Steel	1,116.10
250020	Cement	-
250030	Transformers	5,620.55
250040	Metering Equipment & substation Equipment	9,393.75
250050	Cables & Conductors	7,442.26
250060	Poles	-
250070	Service Connection Material & Electrical Fittings	-
250080	Spares	947.06
250090	Others	2,538.01
255010	Material Pending Investigation	1.11
255020	Loss due to Material pending investigation	202.84
255030	Spl GL stores Inventory Diff	-
255040	MASA Stock rectification	62.70
256010	Obsolete Material Stock (including scrap)	(52.84)
256020	Damaged/ Rejected Material	-

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

- GL Code: 256010- Obsolete Material- wherein it was observed that unreconciled balances are getting reflected for past many years. It has been given to understand that such unreconciled old balances getting reflected in the said GL account were mainly on account of price variations of different inventory items which have already been issued from the respective stores. In our opinion, the nomenclature of the account i.e. 'Obsolete Material' is factually incorrect and gives a wrong understanding of the adjustments made at a later date due to price variations of inventory items. Further, the said GL code also has 'negative balances' (i.e. credit balance) outstanding in many profit centers.
- GL Code 255020 / 150070- Loss due to Material pending investigation- wherein old balances are outstanding in the books since many years.
- GL Code 255040 - MASA Stock Rectification - wherein it was observed that unreconciled balances are getting reflected for past many years.

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

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

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

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

(Amt in Rs. Lakhs)				
GL Codes	Description	Opening Balance as at 1/04/16	Addition/ Clearance/ adjustment during the year	Closing Balance as at 31/03/17
290010	Adv to Contractor/ supplier	2359.07	891.45	3250.52
290020	Capital Adv for Projects	6824.57	-4251.43	2573.14

The data of all registered vendors, whose balances appear in either of the two GL Codes given in the table above, were individually verified so as to identify the cases (vendors) which were having 'Negative Balances' as at 31/03/17. Details of all such vendors are given as under:

Particulars	In No.
Vendors / Contractors wherein opening amount & closing amount had positive balance (i.e. debit balance) i.e. advances were continuing	201
Vendors / Contractors wherein opening amount had debit balance & closing amount had become NIL i.e. advances were squared off	17
<i>Vendors / Contractors wherein opening amount had debit balance but closing amount had credit balance (i.e. adverse balance)</i>	<i>6 (Cr. bal of Rs. 892.82 Lacs as at 31.03.2017)</i>
<i>Vendors / Contractors wherein both opening amount & closing amount had adverse balance (i.e. Credit balance)</i>	<i>72 (Cr. bal of Rs. 5578.46 Lacs as at 31.03.2017)</i>

From analysis of the data mentioned herein above, it can be observed that the overall advances given by the company as at 31.03.2017 do not have 'Adverse / Negative Balance'. However, there are 78 individual instances / cases which had outstanding negative balance i.e., credit balance as on 31.03.2017.

It has been informed that discrepancies in such 78 individual advances may be due to (i) wrong allocation of GL Codes or (ii) shifting of data in the system at the time of implementation of SAP (i.e. Legacy data) for which the reconciliation process has been initiated.

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

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

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

The company is having adequate infrastructure -which includes 652 no. of sub-stations, transformers, and transmission lines for making transmission of the `power so generated by the generation companies operating in the state of Maharashtra.

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

Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
765 KV	1	3,000.00	-
500KV HVDC	2	3,582.00	1,504.000
400KV	30	27,210.00	8,415.497
220KV	219	51,610.00	16,729.427
132KV	315	27,854.50	14,913.310
110KV	36	2,305.00	1,759.365
100KV	38	2,798.00	701.356
66KV	11	853.00	682.195
Total	652	119,212.50	44,716.150

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

HVAC System (MERC Benchmark 98%)		
Year	2015-16	2016-17
Avail	99.72%	99.63%
HVDC System (MERC Benchmark 95%)		
Year	2015-16	2016-17
Avail	94.53%	97.00%

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

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

The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the F.Y. 2016-17 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:

Intra State Transmission System (In. STS) Grid Loss for F.Y. 16-17			
Month	Energy Input Intra STS (In Million Units)	Energy Output Intra STS (In Million Units)	Transmission Loss (in % age)
Apr-16	12,515.52	12,048.51	3.73%
May-16	12,763.48	12,338.80	3.33%
Jun-16	11,500.22	11,089.81	3.57%
Jul-16	10,343.98	9,960.32	3.71%
Aug-16	11,139.77	10,729.98	3.68%
Sep-16	10,986.69	10,584.90	3.66%
Oct-16	11,707.42	11,277.21	3.67%
Nov-16	12,191.76	11,732.11	3.77%
Dec-16	12,501.94	12,075.00	3.42%
Jan-17	12,383.08	11,944.13	3.54%
Feb-17	12,032.42	11,590.10	3.68%
Mar-17	13,762.49	13,242.22	3.78%
Total	143,828.782	138,613.078	3.63%

From perusal of the table above, it is evident that Transmission Loss incurred by MSETCL for was 3.63% which is well below the MERC's bench mark. In other words, the said loss in accounting parlance will be termed as "Normal Loss and will not require any separate accounting in the books of accounts. It has been verified that company has duly accounted for the energy so transmitted by it during the year under audit.

VI) Whether the assets has 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'. Company also undertakes construction of small sub-stations, towers, plants etc., on behalf of other agencies on 'order specific basis'. Such works are identified in the company as 'ORC works'. The company charges 'Supervision fees' over and above the expenditure incurred for executing such "ORC Work" which gets recognized as company's income.

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

Sr. No.	Zones	ORC works as at 01.04.16	ORC works added during the year	ORC works completed during the year	Balance ORC works remaining as at 31.03.17
1	Amravati	1	0	0	1
2	Aurangabad	12	7	5	14
3	Karad	6	1	0	7
4	Nagpur	29	11	3	37
5	Nasik	10	1	0	11
6	Pune	45	33	3	75
7	Vashi	41	0	0	41
	Total	144	53	11	186

"Supervision Charges" accounted during F.Y. 2016-17 on ORC Works were of Rs. 1379.03 Lacs.

In order to execute the ORC works, deposits are taken from parties for whom the company performs/ executes such ORC works. Such ORC deposits are accounted for under GL Code 123100 which has an outstanding balance of Rs. 27071.95 lakhs. It was observed that old unreconciled balances are appearing in the said ledger for which details were readily not available with the respective profit centre.

Company also executes projects in case of generation of energy from non conventional sources. As per accounting policy 2.16(B), 50% of the cost of such power evacuation project is borne by Company and balance 50% is to be reimbursed by MEDA to the respective private developer. Execution of MEDA projects is done by two ways. (i) wherein the vendor gives the entire amount before hand for execution of the project to the Company as ORC deposit and the Company after the execution of project reimburses 50% to the vendor and creates the asset of the same value and the remaining 50% is paid by MEDA to the vendor. (ii) wherein the vendor itself executes the project and the Company subsequently pays 50% of the cost of project to the vendor and MEDA reimburses the remaining 50% to vendor.

The amount payable by Company to the vendor/ private developer is accounted for under GL code 131010. It has been observed that both such GL codes (123100 & 131010) remain unreconciled as at the year end. Complete details of such projects falling under MEDA grant are not readily available with the Company. As a result, the Asset Capitalization of such MEDA projects is not accurate.

For Jain Chowdhary & Co.

Chartered Accountants
FR No. 113267W

Sd/-

Siddharth Jain

Partner

M. No 104709

Date : 27th September, 2017

Place : **Mumbai**

“ANNEXURE-B” TO INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 1 under the heading Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Ind AS financial statements of the Company for the year ended March 31, 2017, we report that:

I) In respect of its fixed assets:

- a) The Company followed the practice of maintaining their Fixed Assets details in ‘AR01’ register. The value of fixed assets as appearing in such AR01 register has been now entered in SAP system. Accordingly, the amount of total fixed assets as per SAP and AR01 register is reconciled. However, the complete quantitative details and situation of fixed assets is not available either in SAP or in AR01 register
- b) The management has not undertaken physical verification of the Company’s fixed assets during the year. In the absence of such record and verification we are unable to state whether there are any material discrepancies.
- c) The records relating to immovable properties as reflected in the Standalone Ind AS financial statements (i.e. Land Title, Lease Deed, 7/12 extract etc.) are not maintained properly or updated and the same are not reconciled with the Standalone Ind AS financial statements as at 31/03/17.

In absence of complete records we are unable to state whether all such immovable properties are in the name of the Company.

II) The Company had chalked out an annual stock verification program for the F.Y. 2016-17 and inspection/valuation of stocks lying with company was found duly carried out by the Company during the year as per the said program.

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

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

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

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

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

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

VII) In respect of applicable statutory dues:

- a) According to the information & explanation given to us and on the basis of our examination of the books & records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information & explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31/03/17 for a period of more than six months from the date of becoming payable.

- b) According to the records of the Company, details of dues of Sales Tax, Income-Tax, Wealth Tax, Excise Duty, Service Tax, Cess and Customs Duty, Value added Tax, which have not been deposited as on 31st March, 2017 on account of any dispute are given below:-

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where the matter is pending	Amount (Rs.Crores)
Employee State Insurance	Various Years from FY 1968 -1996	Employee State Insurance Court, Pune	0.22
Income Tax- FBT	AY 2006-07	ACIT	0.18
Income Tax	AY 2008-09	ACIT	3.28
Income Tax	AY 2009-10	CIT (Appeal)	190.01
Income Tax	AY 2010-11	ITAT	35.19
Income Tax	AY 2012-13	CIT (Appeal)	3.11
Income Tax	A.Y. 2013-14	CIT (Appeal)	9.37
Income Tax	A.Y. 2014-15	CIT (Appeal)	175.24

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

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

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

XI) Based upon the audit procedure performed and the information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule 5 to the Companies Act, 2013.

- XII)** The Company is not a Nidhi company, therefore, the provision of clause 3 (xii) of The Order is not applicable to the Company.
- XIII)** In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- XIV)** Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- XV)** Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3 (xv) of The Order is not applicable to the Company and hence not commented upon.
- XVI)** In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of The Order is not applicable to the Company.

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

Sd/-
Siddharth Jain
Partner
M. No 104709

Date : 27th September, 2017
Place : **Mumbai**

“Annexure C” to INDEPENDENT AUDITOR’S REPORT

(The Annexure referred to in paragraph VII (f) of our report of even date to the Standalone Ind AS financial statements of the Company for the year ended March 31, 2017).

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

We have audited the internal financial controls over financial reporting of Maharashtra State Electricity Transmission Company Limited (‘the Company’) as of 31st March, 2017 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Jain Chowdhary & Co.

Chartered Accountants

FR No. 113267W

Sd/-

Siddharth Jain

Partner

M. No 104709

Date : 27th September, 2017

Place : **Mumbai**

Ind AS Compliant Balance Sheet as at 31st March, 2017

(Rs in Lakhs)

Sr. No.	Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
I	ASSETS				
(1)	Non-Current Assets				
	(a) Property, Plant and Equipment	4.1	16,22,277.73	1,556,868.46	1,436,459.11
	(b) Capital work-in-progress	4.2	2,68,633.64	321,447.55	406,622.56
	(c) Other Intangible Assets	4.3	180.90	569.96	788.29
	(d) Investments in Subsidiaries, associates and joint ventures	5	4,097.37	4,097.37	3,921.07
	(e) Financial Assets	-	-	-	-
	(i) Investments	6.1	41,209.43	44,756.03	43,137.68
	(ii) Loans	6.2	23,644.86	23,323.24	23,319.86
	(iii) Other Non-Current Financial Assets	-	-	-	-
	(f) Income Tax Assets (net)	7	-	38,103.19	16,739.62
	(g) Other Non-Current Assets	8	2,726.42	7,017.82	7,825.40
(2)	Current assets				
	(a) Inventories	9	23,443.99	22,981.54	26,368.26
	(b) Financial Assets	-	-	-	-
	(i) Investments	10.1	6,896.69	4,783.74	7,415.15
	(ii) Trade Receivables	10.2	2,65,296.67	237,347.42	276,421.92
	(iii) Cash and cash equivalents	10.3	6,359.98	6,510.86	2,179.53
	(iv) Bank balances other than (iii) above	-	-	-	-
	(v) Loans	10.4	705.74	2,711.14	4,218.91
	(vi) Other Current Financial Assets	10.5	2,835.55	2,456.67	3,144.06
	(c) Current Tax Assets (Net)	-	-	-	-
	(d) Other Current Assets	11	4,186.47	3,335.48	11,854.39
	(e) Assets Classified as Held for Sale	-	3,810.83	4,407.15	16,902.97
	TOTAL ASSETS		2,276,306.27	2,280,717.62	2,287,318.77
II	EQUITY AND LIABILITIES				
(1)	Equity				
	(a) Equity Share capital	12	8,98,497.47	898,497.47	5.00
	(b) Other Equity	13	1,09,588.20	112,131.25	964,614.63
			-	-	-
(2)	Liabilities				
	Non-Current Liabilities				
	(a) Financial Liabilities	-	-	-	-
	(i) Borrowings	14.1	6,72,954.35	612,163.72	652,370.96
	(ii) Other Non-Current Financial Liabilities	14.2	1,46,789.34	139,215.29	137,145.59
	(b) Provisions	15	61,021.24	58,255.62	59,239.10
	(c) Deferred tax liabilities (Net)	16	2,17,325.17	210,281.78	197,653.31
	(d) Other Non-Current Liabilities	17	18,657.56	19,593.10	22,051.15
	Current liabilities				
	(a) Financial Liabilities	-	-	-	-
	(i) Borrowings	18.1	68,867.07	10,000.00	-
	(ii) Trade Payables	18.2	24,767.34	30,737.92	44,247.33
	(iii) Other Current Financial Liabilities	18.3	73,776.13	162,686.97	170,172.45
	(b) Other Current Liabilities	19	496.04	356.06	610.23
	(c) Provisions	20	25,217.34	26,798.44	30,335.86
	(d) Current Tax Liabilities (Net)	21	(41,650.97)	-	8,873.16
	TOTAL EQUITY AND LIABILITIES		22,76,306.27	2,280,717.62	2,287,318.77
	Significant Accounting Policies	1 to 3			

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For Jain Chowdhary & Co.
Chartered Accountants

For Maharashtra State Electricity Transmission Company Limited

ICAI FR No. 113267W

Sd/-
Siddharth Jain
Partner
M. No 104709

Sd/-
Vinayak Sathe
Chief Finance Officer

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Ganpat Munde
Director (Operations)

Place : Mumbai
Date : 27th September, 2017

Sd/-
Rajeev Kumar Mital
Chairman & Managing Director

Sd/-
Vineeta Shrivani
Company Secretary

Ind AS Compliant Statement of Profit and Loss for the year ended 31st March, 2017

(Rs in Lakhs)

Sr. No.	Particulars	Note No.	2016-17	2015-16
I	Revenue from operations	22	216,204.94	331,484.94
II	Other Income	23	103,331.39	26,210.88
III	Total Income (I+II)		319,536.33	357,695.82
IV	EXPENSES			
	Repair & Maintenance Expenses	24	12,302.47	18,568.89
	Employee benefits expense	25	96,004.27	89,050.29
	Finance costs	26	67,090.92	65,891.91
	Depreciation and amortization expense	4.1 & 4.3	108,501.72	105,984.01
	Other expenses	27	26,801.92	28,611.76
	Prior period adjustment		0.00	(0.00)
	Total expenses (IV)		310,701.30	308,106.86
V	Profit/(loss) before tax (III - IV)		8,835.03	49,588.95
VI	Tax expense:			
	(1) Current tax		(1,221.00)	(4,287.71)
	(2) Current tax- Previous years		-	16,462.96
	(3) Deferred tax		(8,120.97)	(13,710.54)
VII	Profit/(Loss) for the year (V - VI)		(506.94)	48,053.67
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(3,113.70)	(3,126.64)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,077.59	1,082
IX	Total Comprehensive Income for the period (VII + VIII)		(2,543.06)	46,009.10
X	Basic and diluted earnings per share (Face Value Rs. 10/-)		(0.01)	0.53
	Significant Accounting Policies	1 to 3		

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

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

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Siddharth Jain
Partner
M. No 104709

Sd/-
Vinayak Sathe
Chief Finance Officer

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Ganpat Munde
Director (Operations)

Place : Mumbai
Date : 27th September, 2017

Sd/-
Rajeev Kumar Mital
Chairman & Managing Director

Sd/-
Vineeta Shriwani
Company Secretary

Cash Flow For The Year Ended 31st March, 2017

(Rs in Lakhs)

Sr. No.	Particulars	2016-17		2015-16	
1	Net Profit before tax		8,835.03		49,588.95
	Add/(Less) : Adjustments				
	Depreciation	108,501.72		105,984.01	
	Interest and finance charges	80,216.62		83,469.63	
	(Increase) / Decrease in Current Assets	12,323.84		35,247.34	
	(Decrease) / Increase in Current Liabilities	(40,189.21)		(16,987.23)	
		160,852.99		207,713.75	
	Add/(Less): Income Tax for earlier years	0.00		0.00	
	Income Tax Paid	0.00	160,852.99		207,713.75
2	Net Cash flow from/used in Operating Activities		169,688.01		257,302.70
3	Net Cash flow from Investing Activities				
	Property, Plant and Equipment	0.00		0.00	
	Capital Expenditure	(120,111.70)		(128,680.51)	
	Purchase of Investments	3,546.61		(1,618.35)	
			(116,566.09)		(130,298.87)
4	Net Cash flow from/used in Financing Activities				
	Increase in Equity Share Capital	(11,378.08)		(3,579.86)	
	(Decrease) in Loans	38,320.92		(35,623.03)	
	Interest and finance charges	(80,216.62)		(83,469.63)	
			(53,273.78)		(122,672.52)
5	Net increase/(Decrease) in Cash and Cash equivalents		(150.88)		4,331.32
6	Opening Cash and Cash equivalents		6,510.86		2,179.53
7	Closing Cash and Cash equivalents		6,359.98		6,510.86

Summary of Cash & Cash Equivalents

Cash and Cash equivalents includes	2016-17		2015-16	
(1) Cash and Stamps on hand		14.45		14.75
(2) Cheque in hand				
(3) Cash in Transit				
(4) Bank balances with Scheduled banks		6,345.53		6,496.11
Total		6,359.98		6,510.86

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

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

Sd/-
Siddharth Jain
Partner
M. No 104709

Place : Mumbai
Date : 27th September, 2017

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Vinayak Sathe
Chief Finance Officer

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Ganpat Munde
Director (Operations)

Sd/-
Rajeev Kumar Mital
Chairman & Managing Director

Sd/-
Vineeta Shriwani
Company Secretary

Statement of changes in equity for the year ended 31st March, 2017

A Equity share capital

(Rs in Lakhs)

	Notes	Amount
As at 1st April, 2015		5.00
Changes in equity share capital	12	898,492.47
As at 31st March, 2016		898,497.47
Changes in equity share capital	12	-
As at 31st March, 2017		898,497.47

B Other equity

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Share Application Money Pending Allotment	0.00	0.00	898,492.20
Reserves & Surplus			
Contingency Reserve Fund			
Opening Balance	38,098.00	32,897.00	28,134.00
Transferred from retained earnings	5,546.00	5,201.00	4,763.00
	43,644.00	38,098.00	32,897.00
Special Reserve Fund			
Opening Balance	13,939.00	13,939.00	7,869.00
Add : Addition During the Year	-	-	6,070.00
	13,939.00	13,939.00	13,939.00
Retained Earnings			
Opening Balance	117,920.45	532,237.60	366,672.47
Profit for the year	(43,906.29)	(466,942.34)	(336,553.04)
Income tax adjustments	(16,462.96)	-	-
Other comprehensive income for the year			
Total comprehensive income for the year	(60,369.25)	(466,942.34)	(336,553.04)
Transferred to Contingency Reserve	(5,546.00)	(5,201.00)	(4,763.00)
Transferred to Special Reserve Fund	-	-	(6,070.00)
	52,005.20	60,094.25	19,286.43
Total	109,588.20	112,131.25	964,614.63

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

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

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Siddharth Jain
Partner
M. No 104709

Sd/-
Vinayak Sathe
Chief Finance Officer

Sd/-
Ravindra Chavan
Director (Projects)

Sd/-
Ganpat Munde
Director (Operations)

Place : Mumbai
Date : 27th September, 2017

Sd/-
Rajeev Kumar Mital
Chairman & Managing Director

Sd/-
Vineeta Shriwani
Company Secretary

Notes to financial statements for the year ended 31st March, 2017

1. a) Corporate and General Information

Maharashtra State Electricity Transmission Company Limited (MSETCL) was incorporated under the Companies Act, 1956 on 31st May, 2005. The Certificate of Commencement of Business was received on 15th September, 2005 from the Registrar of Companies. The Company was incorporated as per provisions of the notification of Maharashtra State Electricity Reforms Transfer Scheme, 2005 (hereinafter referred to as the Transfer Scheme) which was issued on 4th June, 2005. As per the aforesaid notification, assets and liabilities forming part of the Transmission Undertaking of erstwhile Maharashtra State Electricity Board as set out in `Schedule A' of the said Notification were transferred and vested to the company with effect from 6th June, 2005. The Transfer Scheme was approved by Government of Maharashtra (GoM) on 31.03.2016. The transfer of Assets and Liabilities under the above Transfer Scheme was made by the GoM. As decided the consideration for the transfer of undertaking being excess of assets over liabilities is discharged by issue of Equity Shares of Rs. 898497.47 Lakhs to MSEB Holding Company Limited (the Holding Company).

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

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

b) MSETCL had not booked outstanding DPC as other income in the earlier years, since MSETCL booked other income on accrual basis except when ultimate realization of such income was uncertain. Even MERC was not adjusting transmission tariff by deducting DPC from ARR in the past. However, MERC while vide its Order in case no. 31 of 2016 approving ARR for MSETCL for the F.Y. 2015-16, has reduced DPC amounting to Rs. 854.99 crs. considering it as Non-Tariff income. Consequently, MSETCL's ARR from Transmission Charges has reduced drastically. In F.Y. 2016-17, MSETCL's revenue from Transmission charges was only Rs. 1979.49 crs. (Rs.223.66 for 1st 3 months and Rs. 145.39 crs for next 9 months) as against for the F.Y. 2015-16- Rs.3159.26 (Rs. 461.33 crs. for 1st 2 months and 223.66 crs for next 10 months).

Since MERC has already assumed DPC as income, as if released, MSETCL has also accounted for DPC in the F.Y 2016-17 amounting to Rs 854.99 crs.

2. Statement of significant Accounting Policies

2.1 Basis of Preparation

(i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956 (to the extent applicable) and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereafter.

The financial statements up to year ended 31 March, 2016 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note no. 70 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Basis of measurement

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

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

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

Defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

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

(iv) Rounding of amounts

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

2.2 Use of estimates and judgments

The preparation of the Corporation's financial statements requires management to make judgments, 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 Corporation 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:

- Assessment of financial currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipments and Intangible Assets;
- Valuation of Inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies

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

2.3 Property, Plant and Equipment

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

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.

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

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

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

2.4 Capital Work-In-Progress (CWIP)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

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 Corporate office and 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.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

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

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

2.5 Intangible Assets

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

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

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

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

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

2.6 Depreciation/Amortization

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, and the unamortized balance of such asset is depreciated retrospectively at the rates and methodology as specified by the MERC Tariff Regulations.

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

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

Fixed Assets costing Rs. 5,000/- or less, are fully depreciated in the year of acquisition.

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

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

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

2.7 Borrowing costs:

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.

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.

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

2.8 Non-current assets held for sale:

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

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

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

2.9 Leases:

Finance Lease

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

Operating Lease

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

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

2.10 Impairment of Non-financial assets, other than inventories:

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

2.11 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

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

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

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

2.12 Revenue Recognition

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 recognized using effective interest rate (EIR) method.

Sale of Scrap

Income from sale of scrap is accounted for on realization.

Supervision charges

The supervision charges received from outright Consumers Contribution is recognised in the year of receipt.

Other Income

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

2.13 Employee Benefits

Short Term Employee Benefits:

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

Other long-term employee benefit obligations

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

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

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

Post-employment benefits:

The Company operates the following post-employment schemes:

- (I) defined benefit plans such as gratuity; and
- (ii) Defined contribution plans such as provident fund.

Defined Benefit Plan

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

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

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

Defined Contribution Plan

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

2.14 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

2.15 Foreign Currency Translation

On the date of transition to Ind AS, the Company has considered the carrying value of investment in associates as per previous GAAP to be the deemed cost as per Ind AS 101.

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

2.16 A) Government Grants

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

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

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

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

As per the Government of Maharashtra's policy for promotion of generation of energy from non-conventional sources, 50% of cost of such power evacuation project developed by Private Developers shall be borne by the Company and remaining 50% will be reimbursed by MEDA to the developers.

2.17 Provisions and Contingent Liabilities

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.

2.18 Fair Value Measurement

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 in to account in pricing a transaction.

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

2.19 Financial Assets

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.

2.20 Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

Financial Liabilities at amortized cost

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

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

De-recognition

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

Offsetting of financial instruments

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

2.21 Taxes on Income

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

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

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

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

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

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

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in 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 each entity in the group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.22 Prior Period Items

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

2.23 Earnings per Share

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

2.24 Cash and Cash Equivalent

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

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

2.25 Cash Flow Statement

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

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

3. Recent Accounting Pronouncements: Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based Payment'. These amendments are in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based Payment', respectively. The amendments are applicable to the company from 1st April, 2017.

Amendment to Ind AS 7 'Statement of cash flows':

The amendment to Ind AS 7 'Statement of cash flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements.

The company is evaluating the requirements of the amendment and the effect on the financial statements.

Amendment to Ind AS 102 'Share-based Payment':

The Company does not have any impact on the Financial Statements on account of these pronouncements.

Notes to Financial Statements for the year ended 31st March, 2017
Note 4.1 : Property, Plant & Equipment

Particulars	(Rs in Lakhs)										
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Line & Cable Networks	Hydraulic Works	Other Civil Works *	Furniture & Fixtures	Vehicles	Office Equipment (including computer)	Others
Gross Carrying amount											
Deemed cost as at 1st April, 2015	22,475.04	8,555.74	21,354.26	766,665.53	538,559.00	1,330.03	72,768.68	1,448.16	621.26	2,389.59	291.82
Additions	2,285.46	-	17,238.81	207,543.53	-	-	-	133.45	16.89	-	-
Disposals	6,919.59	1,881.90	3,806.42	134,559.27	455,968.57	120.37	19,134.78	(47.72)	(28.66)	592.43	-
Revaluation of assets	(7,500.30)	(1,258.74)	(1,935.02)	(258,263.67)	(354,199.18)	(110.39)	(3,447.97)	(2.48)	(1.75)	(7.31)	-
Ind AS adjustments				1,152.88							
Balance as at 31st March, 2016	24,179.79	9,178.91	40,464.46	851,657.54	640,328.40	1,340.00	88,455.49	1,531.41	607.74	2,974.71	291.82
Additions	842.80	463.87	900.18	88,534.18	68,685.24	3.59	11,499.42	144.34	82.62	477.50	-
Disposals	48.04	(16.62)	9,615.69	(8,702.45)	(246.41)	-	(206.82)	-	(38.11)	(148.84)	(291.82)
Ind AS adjustments	-	-	-	2,712.98	-	-	-	-	-	-	-
Balance as at 31st March, 2017	25,070.63	9,626.16	50,980.33	934,202.25	708,767.23	1,343.59	99,748.09	1,675.75	652.25	3,303.37	0.00
Accumulated depreciation											
Balance as at 1st April, 2015	-	-	-	-	-	-	-	-	-	-	-
Additions	-	55.17	936.47	47,468.35	31,952.84	34.36	3,877.71	118.03	72.13	1,379.25	-
Disposals	-	(0.99)	5,169.85	200,583.86	260,845.77	277.17	1,200.04	(12.17)	(48.87)	(942.47)	-
Revaluation of assets	-	-	(1,452.73)	(197,930.14)	(248,791.88)	(71.98)	(1,588.92)	(0.94)	(1.70)	(6.58)	-
Ind AS adjustments	-	-	-	1,020.17	-	-	-	-	-	-	-
Balance as at 31st March, 2016	-	54.18	4,653.59	51,142.24	44,006.73	239.55	3,488.83	104.92	21.56	430.20	-
Additions	-	72.26	973.64	54,525.53	42,484.27	34.53	4,532.46	119.26	76.00	909.42	-
Disposals	-	0.35	(39.44)	4,051.36	1,205.83	144.88	(696.50)	(0.34)	(51.54)	(559.46)	-
Ind AS adjustments	-	-	-	1,167.60	-	-	-	-	-	-	-
Balance as at 31st March, 2017	-	126.79	5,587.79	110,886.73	87,696.83	418.96	7,324.79	223.84	46.02	780.16	-
Net Carrying amount											
Balance as at 31st March, 2017	25,070.63	9,499.37	45,392.54	823,315.52	621,070.40	924.63	92,423.29	1,451.91	606.23	2,523.21	0.00
Balance as at 31st March, 2016	24,179.79	9,124.73	35,810.87	800,515.30	596,321.67	1,100.45	84,966.65	1,426.49	586.18	2,544.51	291.82
Balance as at 1st April, 2015	22,475.04	8,555.74	21,354.26	766,665.53	538,559.00	1,330.03	72,768.68	1,448.16	621.26	2,389.59	291.82

Note 4.2: Capital work-in-progress

Particulars	(Rs in Lakhs)		
	Capital Work in Progress	Survey Expenses	Total
Gross Carrying amount			
Deemed cost as at 1st April, 2015	406,397.76	224.80	406,622.56
Additions	129,318.00	5.90	129,323.90
Disposals	(215,064.68)	-	(215,064.68)
Ind AS adjustments	-	-	-
Reclassification Adjustment	2,329.56	-	2,329.56
Balance as at 31st March, 2016	322,980.64	230.70	323,211.34
Additions	120,021.90	395.66	120,417.56
Disposals	(171,633.74)	-	(171,633.74)
Ind AS adjustments	-	-	-
Reclassification	731.83	-	731.83
Balance as at 31st March, 2017	272,100.63	626.36	272,726.99
At 31st March 2017			268633.64
At 31st March 2016			321,447.55
At 1st April, 2015			406,622.56

Note 4.3: Intangible Assets

Note 4.3: Intangible Assets		(Rs in Lakhs)
Particulars	Computer software	
Gross Carrying amount		
Deemed cost as at 1st April, 2015	788.29	
Additions	4.21	
Disposals	-	
Balance as at 31st March, 2016	792.50	
Additions	-	
Disposals	(1.72)	
Balance as at 31st March, 2017	790.78	
Accumulated amortisation		
Balance as at 1st April, 2015	-	
Additions	222.54	
Disposals	-	
Balance as at 31st March, 2016	222.54	
Additions	387.33	
Disposals	-	
Balance as at 31st March, 2017	609.87	
Net Carrying amount		
Balance as at 31st March, 2017	180.91	
Balance as at 31st March, 2016	569.96	
Balance as at 1st April, 2015	788.29	

The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment as recognised in financial statements as at the date of transition (1st April, 2015) as per following details:

Particulars	(Rs in Lakhs)											
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Line & Cable Networks	Hydraulic Works	Other Civil Works *	Furniture & Fixtures	Vehicles	Office Equipment (Including computer)	Others	Total
Gross block (At cost)	14,974.74	8,121.71	40,181.69	1,209,567.01	732,954.81	3,491.50	88,257.81	2,672.96	1,581.57	4,324.30	291.82	2,106,419.91
Accumulated Depreciation	-	824.71	19,309.73	520,667.38	299,803.10	2,199.88	17,348.18	1,226.34	960.36	1,935.49	-	864,275.17
Net block as per Previous GAAP/Deemed Cost as per Ind AS	14,974.74	7,297.01	20,871.96	688,899.63	433,151.71	1,291.61	70,909.62	1,446.62	621.21	2,388.82	291.82	1,242,144.75
Ind AS Adjustments	7,500.30	1,258.74	482.30	77,765.90	105,407.29	38.41	1,859.05	1.55	0.06	0.77		194,314.37
Gross Block as per Ind AS	22,475.04	8,555.74	21,354.26	766,665.53	538,559.00	1,330.03	72,768.68	1,448.16	621.26	2,389.59	291.82	1,436,459.12

(Rs in Lakhs)

Particulars	Capital work-in progress
Gross block (At cost)	402,539.90
Accumulated Depreciation	-
Net block as per Previous GAAP/Deemed	
Cost as per Ind AS	402,539.90
Ind AS Adjustments	2,318.87
Reclassification	1,763.79
Gross Block as per Ind AS	406,622.56

(Rs in Lakhs)

Particulars	Computer Software
Gross block (At cost)	2,840.21
Accumulated Depreciation	2,051.92
Net block as per Previous GAAP/Deemed	
Cost as per Ind AS	788.29
Ind AS Adjustments	-
Gross Block as per Ind AS	788.29

5 Investments in Subsidiaries, Associates and Joint Ventures

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Investments in Associates			
Unquoted			
Equity shares of Rs. 10 each fully paid up "Jaigad Power Transco Limited" (No of shares : 35750000, Previous Year: 35750000, 1st April 2015 : 35750000)	3,575.00	3,575.00	3,575.00
"Maharashtra Transmission Communication Infrastructure Limited" (No of shares : 3460721, Previous Year 5223726, 1st April 2015 : 3460421)	522.37	522.37	346.07
Total	4,097.37	4,097.37	3,921.07
Aggregate amount of unquoted securities	4,097.37	4,097.37	3,921.07
Aggregate amount of quoted securities	-	-	-
Market value of quoted securities	-	-	-
Aggregate amount of impairment in the value of investments	-	-	-

6.1 Non-current Investments

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Quoted			
At amortised Cost			
Investments in Government Securities*	10,038.94	16,863.24	16,796.41
Investments in Bonds*	31,170.49	27,892.79	26,341.26
Total	41,209.43	44,756.03	43,137.68
* Earmarked against Contingency Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency			
Aggregate amount of unquoted securities	-	-	-
Aggregate amount of quoted securities	41,209.43	44,756.03	43,137.68
Market value of quoted securities	42,793.12	45,748.62	5,905.72
Aggregate amount of impairment in the value of investments	-	-	-

6.2 Non-Current Loans

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Unsecured, considered good unless stated otherwise			-
Balances with group companies	21,794.05	21,915.88	21,871.99
Security Deposits	1,850.81	1,407.37	1,447.86
Total	23,644.86	23,323.24	23,319.86

7 Income Tax Assets (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Advance payment of Income Tax (net of Provision)	-	38,103.19	16,739.62
Total	-	38,103.19	16,739.62

8 Other Non-Current Assets

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Unsecured, considered good unless stated otherwise			
Capital Advances	2,573.14	6,824.57	7,592.20
Unamortised transaction cost	153.28	193.24	233.20
Total	2,726.42	7,017.81	7,825.40

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

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Stores & Spares	23,828.44	23,365.99	27,559.18
- Provision for Material Losses Pending Investigation & Obsolete Materials	(384.46)	(384.46)	(1,190.92)
Total	23,443.99	22,981.54	26,368.26

10.1 Current Investments

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Quoted			
At amortised Cost			
Investments in Government Securities*	6,930.16	33.47	3,856.00
Investments in Bonds*	(33.47)	4,750.27	3,559.15
Total	6,896.69	4,783.74	7,415.15
* Earmarked against Contingency Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency			
Aggregate amount of unquoted securities	-	-	-
Aggregate amount of quoted securities	6,896.69	4,783.74	7,415.15
Market value of quoted securities	7,420.70	4,919.76	7,491.92
Aggregate amount of impairment in the value of investments	-	-	-

10.2 Trade Receivables

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Unsecured unless stated otherwise			
Considered Good	265,296.67	237,347.42	276,421.92
- Allowance as per Expected Credit Loss Model			
Considered Doubtful	2,636.39	-	-
- Allowance for Doubtful	(2,636.39)		
Total	265,296.67	237,347.42	276,421.92

10.3 Cash & cash equivalents

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Balances with Banks	2,058.71	3,028.86	1,987.17
Demand Deposits with Banks with original maturity less than 12 months	4,286.82	3,467.25	172.50
Cash and Stamps on Hand	14.45	14.75	19.87
Total	6,359.98	6,510.86	2,179.53

10.4 Current Loans

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Unsecured, considered good			-
Loans & Advances to Employees	705.74	2,711.14	4,218.91
			-
Total	705.74	2,711.14	4,218.91

10.5 Other Current Financial Assets

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Unsecured, considered good unless stated otherwise			
Fixed Deposits Received from Suppliers/Contractors as Security Deposits	706.38	636.41	714.81
Receivable from MSEB CPF Trust	514.50		209.84
Claims for loss/damage to materials	0.58	0.58	0.58
Interest Receivable	1,422.79	1,629.25	2,043.80
Other Receivable	191.29	190.42	174.89
Other Advances	-	-	0.14
Total	2,835.55	2,456.67	3,144.06

11 Other Current Assets

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Unsecured, Considered Good			
Prepaid Expenses	66.68	99.56	121.11
Advances to Suppliers	3,250.52	2,359.07	10,858.81
Advances and Recoverables	726.22	726.19	730.96
Amortised transaction cost	39.96	39.96	39.96
Expenses Recoverable		-	
Considered good	103.09	110.70	103.55
Considered doubtful	149.11	149.11	149.11
- Provision for Doubtful Debts	(149.11)	(149.11)	(149.11)
Total	4,186.47	3,335.48	11,854.39

12 Equity Share Capital

(Rs in Lakhs)

	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
a)	Authorised 1500,00,00,000 Equity Shares of Rs.10/- each (Previous year 31st March, 2016 : 1500,00,00,000, 1st April, 2015 : 500,00,00,000)	1,500,000.00	1,500,000.00	500,000.00
b)	Issued, Subscribed and Paid up 898,49,74,733 Equity Shares of Rs.10/- each (Previous year 31st March, 2016 : 898,49,74,733, 1st April, 2015 : 50,000)	898,497.47	898,497.47	5.00
	Total	898,497.47	898,497.47	5.00

c) Terms & Rights attached to equity shares

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

d) Reconciliation of No. of equity shares

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Opening Balance	8,984,974,733	50,000	50,000
Shares issued	-	8,984,924,733	-
Closing Balance	8,984,974,733	8,984,974,733	50,000

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

Particulars	Number of Full Paid Equity Shares	Number of Full Paid Equity Shares	Number of Full Paid Equity Shares
Equity Shares MSEB Holding Company Limited (% of Holding: 99.88%)	8,984,974,673	8,984,974,673	8,984,974,673

The above shares are held by Holding Company

13 Other Equity

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Share Application Money Pending Allotment	0.00	0.00	898,492.20
Reserves & Surplus			
Contingency Reserve Fund			
Opening Balance	38,098.00	32,897.00	28,134.00
Transferred from retained earnings	5,546.00	5,201.00	4,763.00
	43,644.00	38,098.00	32,897.00
Special Reserve Fund			
Opening Balance	13,939.00	13,939.00	7,869.00
Add : Addition During the Year	-	-	6,070.00
	13,939.00	13,939.00	13,939.00
Retained Earnings			
Opening Balance	117,920.45	532,237.60	366,672.47
Profit for the year	(43,906.29)	(466,942.34)	(336,553.04)
Income tax adjustments	(16,462.96)	-	-
Other comprehensive income for the year			
Total comprehensive income for the year	(60,369.25)	(466,942.34)	(336,553.04)
Transferred to Contingency Reserve	(5,546.00)	(5,201.00)	(4,763.00)
Transferred to Special Reserve Fund	-	-	(6,070.00)
	52,005.20	60,094.25	19,286.43
Total	109,588.20	112,131.25	964,614.63

14.1 Non-Current Borrowings

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Secured			
Term Loans from Banks	20,839.57	27,857.99	26,584.21
Term Loans from Other Parties	652,114.78	583,894.09	625,375.11
Unsecured Loans			
Loan from KEC International	-	411.64	411.64
Total	672,954.35	612,163.72	652,370.96

(Refer Note 41.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

14.2 Other Non-Current Financial Liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Retention Money	88,183.32	88,380.57	98,120.34
Security Deposits	27,984.62	31,107.43	32,142.53
Other deposits	30,621.41	19,684.92	6,840.35
Others	-	42.36	42.36
Total	146,789.34	139,215.29	137,145.59

15 Non - Current Provisions

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Provision for Employment Benefits			
Provision for Gratuity	32,899.01	32,925.82	33,912.36
Provision for Leave Encashment	28,122.23	25,329.80	25,326.75
Total	61,021.24	58,255.62	59,239.10

16 Deferred tax liabilities (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Deferred tax liabilities			
Property, plant and equipment	193,748.33	183,935.20	165,597.41
Amortisation of borrowings	155.98	189.07	277.97
Revaluation of Property, plant and equipment	60,122.18	60,122.18	60,122.18
Government grant	(170.12)	(102.27)	(35.96)
Inventories	(1,118.97)	(322.57)	(38.11)
DTL	252,737.40	243,821.61	225,923.49
Deferred tax assets			
Gratuity	14,442.90	14,716.89	15,004.07
Others	7,606.42	7,606.42	7,606.42
Leave Encashment	7,160.83	6,135.95	4,094.55
Disallowance u/s 14A	171.98	171.98	171.98
Impairment on trade receivables	963.09	50.68	50.68
Amortisation of investment in Govt. securities	1,567.09	1,357.98	1,342.48
DTA	31,912.31	30,039.91	28,270.18
Reversal of opening DTL	3,499.92	3,499.92	-
Net (DTA)/DTL	217,325.17	210,281.78	197,653.31

17 Other Non-Current Liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Deferred Government Grants	16,717.58	17,528.84	18,260.10
Others	1,939.98	2,064.26	3,791.05
Security Deposits	-	-	-
Other deposits	-	-	-
Total	18,657.56	19,593.10	22,051.15

18.1 Current Borrowings

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Loan Repayable on Demand			
Unsecured			
Working capital loans from banks	68,867.07	10,000.00	-
Total	68,867.07	10,000.00	-

18.2 Trade payables

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Dues to Micro, Small and Medium Enterprises (Refer note 41.5)			-
Due to others	24,767.34	30,737.92	44,247.33
Total	24,767.34	30,737.92	44,247.33

18.3 Other current financial liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Current maturities of long term debt (Refer Note No 4 of signed FS 2014-15)	-	90,960.56	91,692.62
Interest accrued but not due on borrowings	8,587.78	9,207.80	10,038.42
Unclaimed matured open market bonds and interest accrued thereon	84.80	84.80	84.80
Payable from MSEB CPF Trust	-	362.91	-
Employee related payables	8,038.21	4,520.34	4,559.62
Capital creditors	12,613.74	12,580.29	14,415.50
Payable to group companies	44,300.65	44,288.53	46,253.19
Liability for prior period expenses	-	568.55	3,037.19
Other payables	150.95	113.18	91.12
Total	73,776.13	162,686.97	170,172.45

19 Other current liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Unclaimed Open Market Bonds	-	-	-
Duties & taxes payable	213.77	250.38	14.78
Advances from customers	282.27	105.68	595.45
Total	496.04	356.06	610.23

20 Short term provisions

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Provision for employee benefits		-	-
Provision for gratuity	8,387.96	9,178.54	9,073.15
Provision for leave encashment	8,530.52	8,143.86	8,043.28
Provision for CSR Expenditure	8,031.61	7,691.34	3,300.00
Provision for late interest payment	267.24	267.24	
Provision for Pay Revision	-	-	8,401.98
Provision for Interest Shortfall on PF Liability	-	1,517.44	1,517.44
Total	25,217.34	26,798.42	30,335.85

21 Current tax liabilities (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.15
Current tax liabilities (Net of taxes paid)	(41,650.97)		8,873.16
Total	(41,650.97)	-	8,873.16

22 Revenue from operations

(Rs in Lakhs)

Particulars	For year ended 31.03.2017	For year ended 31.03.2016
Transmission charges	197,829.43	315,926.00
Transmission charges (Goa)	9,768.36	5,913.10
Transmission charges (Dadra Nagar)	4,361.99	4,782.28
Open Access Charges	2,361.11	2,140.09
SLDC Charges	1,698.50	2,560.26
Rescheduling Charges	185.54	163.20
Total	216,204.94	331,484.94

23 Other Income

(Rs in Lakhs)

Particulars	For year ended 31.03.2017	For year ended 31.03.2016
Interest income	4,676.22	5,334.42
Rent	560.00	371.99
Profit on sale of Property, Plant and Equipment	370.64	1,424.80
Sale of tender forms	101.36	109.31
Income from sale of scrap	626.49	383.63
Government Grant	811.26	731.26
Amortisation of investments	(24.35)	40.46
Other Miscellaneous Income	96,209.77	17,808.50
Gain on foreign currency transactions and translations (Net)	-	6.51
Total	103,331.39	26,210.88

24 Repair & Maintenance Expenses

(Rs in Lakhs)

Particulars	For year ended 31.03.2017	For year ended 31.03.2016
Property, Plant and Equipment	12,390.54	17,427.92
Others	37.12	1,191.08
Repairs and maintenance expenses capitalised	(125.18)	(50.11)
Total	12,302.47	18,568.89

25 Employee Benefits Expense

(Rs in Lakhs)

Particulars	For year ended 31.03.2017	For year ended 31.03.2016
Salaries, allowances, Bonus etc.	73,081.73	74,107.07
Staff welfare expenses	3,639.94	1,048.83
Other staff costs	2,639.94	1,837.88
Leave encashment	11,713.49	7,053.64
Gratuity	5,223.11	5,299.31
Contribution to Provident & Other Funds	7,388.88	8,240.92
Employee costs capitalised	(7,682.82)	(8,537.36)
Total	96,004.27	89,050.29

26 Finance Costs

(Rs in Lakhs)

Particulars	For year ended 31.03.2017	For year ended 31.03.2016
Interest Expense		
- Banks	5,937.48	2,657.89
- Others	74,074.37	79,784.44
Transaction Costs	39.96	39.96
Other Finance Costs		
Guarantee charges	6.66	18.13
Miscellaneous Costs	62.53	930.93
Amortisation of borrowings	95.61	38.27
Interest and Finance Charges Capitalised	(13,125.70)	(17,577.72)
Total	67,090.92	65,891.91

27 Other expenses

(Rs in Lakhs)

Particulars	For year ended 31.03.2017	For year ended 31.03.2016
Advertisement Expenses	54.76	33.37
Advertisement of tenders / notices and other purchase related advertisement	1,007.14	850.03
Auditor's Remuneration		
Statutory Audit Fees	63.04	22.41
For Reimbursement of Expenses	-	10.35
Electricity Charges	5,170.54	5,291.95
Freight Charges	4.10	5.04
Government Inspection Fees	0.24	0.92
Insurance	340.59	306.51
Legal & Professional Fees	488.54	979.17
Membership & Subscription	724.79	758.67
Miscellaneous Expenses	2,584.46	3,071.73
Miscellaneous losses and provisions	2,869.47	31.61
Octroi Charges	4.00	22.03
Postage Telephone & Telex	487.87	483.46
Printing & Stationery	274.69	291.52
Rent	1,185.99	1,176.47
Rates & Taxes	1,161.43	954.60
Security Expenses	5,740.28	4,792.29
Travelling & Conveyance	958.98	919.37
Upkeep of office	1,133.64	922.88
Vehicle Running & Maintenance Expenses	518.93	509.24
Water charges	542.59	453.03
Expenditure on Hire	1,850.19	1,609.14
Foreign Exchange Loss	268.99	4,461.74
Corporate Social Responsibility Expenses	764.14	4,452.17
Rebate for prompt payment	-	-
- Expenses capitalised	(1,397.47)	(3,797.94)
Total	26,801.92	28,611.76

Note 28 Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and adoption was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The significant accounting policies set out in Note 1 to 3 have been applied in preparing the financial statements for the year ended 31st March 2017, 31st March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1st April, 2015.

In preparing its Ind AS balance sheet as at 1st April, 2015 and in presenting the comparative information for the year ended 31st March, 2016, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Explanation of transition to Ind AS

A. In preparing the financial statement, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

1 Property, Plant and Equipment and Intangible Assets exemption:

The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, Plant and Equipment and Intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1st April, 2015).

2 Government Grants

The Company has elected to apply the requirements of Ind AS 20 retrospectively to Government Grants existing at the date to Ind AS.

3 Investment in Joint Ventures

The Company has elected to use the exemption to measure all investments in Joint Ventures as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

4 Derecognition of financial assets and financial liabilities

The Company has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after 1st April 2015.

5 Classification and measurement of financial assets

"Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable."

6 Estimates

"The estimates as at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from following items where application of Indian GAAP did not require estimation Impairment of financial assets based on risk exposure and application of ECL model. The estimates used by the company to present this amounts in accordance with Ind AS reflect conditions as of 31st March 16"

7 Impairment of Financial Assets

Ind AS 101 requires an entity to apply the Ind AS requirements retrospectively if it is practicable without undue cost and effort to determine the credit risk that debt financial instruments where initially recognised. The company has measured impairment losses on financial assets as on the date of transition i.e. 1st April, 2015 in view of cost and effort.

B. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101 :

- 1 Reconciliation of Balance Sheet as at 1st April, 2015 (Transition Date)
- 2 (a) Reconciliation of Balance Sheet as at 31st March, 2016
- 2 (b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016
- 3 Reconciliation of Equity as at 1st April, 2015 and as at 31st March 2016
- 4 Adjustments to Statement of Cash Flows

1 Reconciliation of Balance Sheet as at 1st April, 2015

(Rs in Lakhs)

Particulars	Note Reference	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	C,G	1,242,144.75	194,314	1,436,459.11
(b) Capital work-in-progress	C,D	402,539.90	2,318.87	406,622.56
(c) Other Intangible Assets		788.29	-	788.29
(d) Investments in Subsidiaries, associates and joint ventures		3,921.07	-	3,921.07
(e) Financial Assets				
(i) Investments	A	42,923.80	213.88	43,137.68
(ii) Loans		23,319.86	-	23,319.86
(iii) Other Non-Current Financial Assets		-	-	-
(f) Income Tax Assets (net)		16,739.62	-	16,739.62
(g) Other Non-Current Assets	B	7,592.20	233.21	7,825.40
Current assets				
(a) Inventories	C	29,841.08	(1,709.03)	26,368.26
(b) Financial Assets				
(i) Investments		7,415.15	-	7,415.15
(ii) Trade Receivables		276,421.92	-	276,421.92
(iii) Cash and cash equivalents		2,179.53	-	2,179.53
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans		4,218.91	-	4,218.91
(vi) Other Current Financial Assets		3,144.06	-	3,144.06
(c) Current Tax Assets (Net)	-	-	-	-
(d) Other Current Assets	B	11,814.43	39.96	11,854.39
(e) Assets Classified as Held for Sale	G	16,696.97	206.00	16,902.97
TOTAL ASSETS		2,091,701.52	195,617.25	2,287,318.77
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		5.00	-	5.00
(b) Other Equity		848,672.80	115,941.83	964,614.63
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	B	652,915.60	(544.64)	652,370.96
(ii) Other Non-Current Financial Liabilities		137,145.59	-	137,145.59
(b) Provisions		59,239.10	-	59,239.10
(c) Deferred tax liabilities (Net) I		138,669.71	58,983.60	197,653.31
(d) Other Non-Current Liabilities	D	3,791.05	18,260.10	22,051.15
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	-	-	-	-
(ii) Trade Payables		44,247.33	-	44,247.33
(iii) Other Current Financial Liabilities	H,B	167,135.26	3,037.19	170,172.45
(b) Other Current Liabilities		610.23	-	610.22
(c) Provisions	A	30,396.68	(60.83)	30,335.86
(d) Current Tax Liabilities (Net)		8,873.16	-	8,873.16
TOTAL EQUITY AND LIABILITIES		2,091,701.52	195,617.25	2,287,318.77

Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

2 (a) Reconciliation of Balance Sheet as at 31st March, 2016

(Rs in Lakhs)

Particulars	Note Reference	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	C,G	1,539,303.34	17,565.12	1,556,868.46
(b) Capital work-in-progress	C,D	316,799.12	4,648.43	321,447.55
(c) Other Intangible Assets		569.96	-	569.96
(d) Investments in Subsidiaries, associates and joint ventures		4,097.37	-	4,097.37
(e) Financial Assets		-	-	-
(i) Investments	A	44,535.17	220.87	44,756.04
(ii) Loans		23,323.26	-	23,323.26
(iii) Other Non-Current Financial Assets		-	-	-
(f) Income Tax Assets (net)		38,103.19	-	38,103.19
(g) Other Non-Current Assets	B	6,824.57	193.25	7,017.83
	-	-	-	-
Current assets				
(a) Inventories	C	27,450.27	(4,468.73)	22,981.54
(b) Financial Assets		-	-	-
(i) Investments	A	4,750.27	33.47	4,783.74
(ii) Trade Receivables		237,347.42	-	237,347.42
(iii) Cash and cash equivalents		6,510.86	-	6,510.86
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans		2,711.14	-	2,711.14
(vi) Other Current Financial Assets		2,456.67	-	2,456.67
(c) Current Tax Assets (Net)	-	-	-	-
(d) Other Current Assets	B	3,295.53	39.96	3,335.49
(e) Assets Classified as Held for Sale	G	4,407.08	0	4,407.15
TOTAL ASSETS		2,262,485.22	18,232.44	2,280,717.66
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		898,497.47	-	898,497.47
(b) Other Equity		169,957.45	(57,826.19)	112,131.25
		-	-	-
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings	B	612,670.09	(506.37)	612,163.72
(ii) Other Non-Current Financial Liabilities		139,215.31	-	139,215.31
(b) Provisions		58,255.62	-	58,255.62
(c) Deferred tax liabilities (Net)	I	151,753.35	58,528.43	210,281.78
(d) Other Non-Current Liabilities	D	2,064.26	17,528.84	19,593.10
	-	-	-	-
Current liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		10,000.00	-	10,000.00
(ii) Trade Payables		30,737.92	-	30,737.92
(iii) Other Current Financial Liabilities	H,B	162,118.44	568.55	162,686.99
(b) Other Current Liabilities		356.07	-	356.08
(c) Provisions	A	26,859.25	(60.83)	26,798.42
(d) Current Tax Liabilities (Net)		-	-	-
	-	-	-	-
TOTAL EQUITY AND LIABILITIES		2,262,485.22	18,232.44	2,280,717.66

Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

2 (b) Reconciliation of Statement of Profit or Loss for the year ended 31st March, 2016

(Rs in Lakhs)

Sr. No.	Particulars	Note No.	2015-16	Ind AS adjustments	2015-16
I	Revenue from operations		331,484.94	-	331,484.94
II	Other Income	A,D,H	25,466.04	744.84	26,210.88
III	Total Income (I+II)		356,950.98	744.84	357,695.82
IV	EXPENSES				
	Repair & Maintenance Expenses	C,H	18,712.32	(143.43)	18,568.89
	Employee benefits expense	H	91,071.15	(2,020.86)	89,050.29
	Finance costs	A,B,H	65,811.74	80.17	65,891.91
	Depreciation and amortization expense	C,D	86,116.86	19,867.15	105,984.01
	Other expenses	H	28,525.23	86.53	28,611.76
	Prior period adjustment	H	474,921.44	(474,921.44)	(0.00)
	Total expenses (IV)		765,158.74	(457,051.88)	308,106.86
V	Profit/(loss) before tax (III - IV)		(408,207.77)	457,796.72	49,588.95
VI	Tax expense:				
	(1)Current tax		(4,287.71)	-	(4,287.71)
	(2) Current tax- Previous years		-	16,462.96	16,462.96
	(3)Deferred tax	I	(13,083.64)	(626.90)	(13,710.54)
VII	Profit/(Loss) for the year (VI - VII)		(425,579.12)	473,632.79	48,053.67
VIII	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss				
	- Remeasurement of defined benefit plans			(3,126.64)	(3,126.64)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			1,082.07	1,082.07
IX	Total Comprehensive Income for the period (VII + VIII)		(425,579.12)	471,588.21	46,009.09

3 (a) Reconciliation of Equity as on 31 March 2016 and 1st April, 2015

(Rs in Lakhs)

Particulars	Note Ref.	As at 31.03.2016	As at 01.04.2015
Total Equity under Previous GAAP		1,068,454.92	848,677.80
Adjustments impact : Gain/(Loss)			
Amortised cost of investments	A	254.34	213.88
Borrowings	B	739.57	817.80
Inventories	C	671.46	(51.28)
Capital government grant	D	625.48	(105.78)
Liability for prior period expenses	H	470,083.54	(3,037.19)
Share application pending money allotment	G	(0.00)	628,893.00
Revaluation of Property, plant and equipment	G	(451,805.00)	(451,805.00)
Depreciation	C,D	(19,867.15)	-
Deferred Tax	I	(58,528.43)	(58,983.60)
Total Ind AS adjustments		(57,826.20)	115,941.83
Total Equity under Ind AS		1,010,628.72	964,619.63

3 (b) Reconciliation of Profit or Loss for the year ended 31st March, 2016

(Rs in Lakhs)

Particulars	Note Ref.	As at 31.03.2016
Profit or loss as per Previous GAAP		(425,579.11)
Amortised cost of investments	A	40.46
Borrowings	B	(78.23)
Inventories	C	722.74
Capital government grant	D	731.26
Prior period expenses	H	473,121.00
Depreciation	C,D	(19,867.15)
Income tax of earlier years	H	16,462.96
Deferred Tax	I	455.17
Total Ind AS adjustments		471,588.21
Profit or loss as per Ind AS		46,009.10

- 4 On account of transition to Ind AS, there is no material adjustment to the statement of Cash flows as on 31st March, 2016.

Notes to reconciliations:-

A Amortised cost of Investments in government securities and bonds

Under previous GAAP, investments in government securities and bonds were classified as current and non- current investments. Non- current investments were carried at cost and current investments at lower of cost or fair value. Under Ind AS, these investments are measured at amortised cost.

B Borrowings

Under previous GAAP, transaction costs in relation to borrowings were initially recognised as an asset and subsequently, amortised over the period of loan as borrowing costs. Under Ind AS, financial liabilities in form of borrowings have been measured at amortised cost using the effective interest rate method.

C Inventories

Under previous GAAP, items of stores and spares were recognised as inventories. Under Ind AS, all significant spare parts which meet the definition of Property, Plant and Equipment are capitalised as Property, Plant and Equipment and in other cases, stores and spares is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

D Capital Government Grants

Under the previous GAAP, Capital grant related to Property, plant and equipments were presented as a reduction from cost of respective Capital assets. As per Ind AS, the same is presented as 'Deferred Government Grant' under the head liability. The deferred grant revenue is released to the Statement of Profit and Loss over the expected useful life of the underlying asset.

E Remeasurement of defined benefit liabilities

Under previous GAAP, the company recognised remeasurement of defined benefit plans under Profit and Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

F Trade Receivables

Under previous GAAP, the company had recognised provision on trade receivables based on the expectation of the company. Under Ind AS company provides loss allowance on receivables based on Expected Credit Loss (ECL) Model which is measured following the "simplified approach" at the amount equal to the lifetime ECL at each reporting date.

G Impact of Maharashtra Electricity Reforms Transfer Scheme, 2016

MSETCL came into existence as a part of restructuring of erstwhile Maharashtra State Electricity Board (MSEB) vide notification dated 5th June, 2005. As a part of this scheme, the assets and liabilities of MSEB got vested with the Government of Maharashtra and revested to newly created companies including MSETCL. The said transfer scheme was provisional in nature. Subsequently, vide GR dated 31st March, 2016, Government of Maharashtra issued Amendment in Transfer Scheme with revised values of fixed assets on one hand and consequent increase in equity share capital on another hand. As per Clause 3 of the GR, "Maharashtra Electricity Reforms Transfer Scheme, 2005" is amended and clause 10A is inserted in respect of Asset Valuation. As per this clause, "The transfer of the Fixed Assets is there to held by the MSEB and taken over by the Government of Maharashtra in terms of the Government notification shall be considered to have been transferred to the respective transferees at the market value prevailing on 5th June, 2005".

As per this scheme the net fixed assets value of the Company as on 05-06-2005 has been increased from Rs. 4503.96 Crores to Rs. 10792.89 Crores resulting into increase in the value of Net fixed assets by Rs. 6288.93 Crores and allotment of equity share capital of the equivalent amount to MSEB Holding Company Limited. As 2015 being a transitional period the Balance sheet as on 1st April, 2015 is restated by giving impact of this event. Subsequently, Rs. 8984.92 Crores is shown in share application money pending allotment since the allotment of the same is made in 2016. Accordingly, the Gross value of individual assets have been increased by Rs. 10792.89 Crores in the proportion of respective gross value as on 5th June, 2005 & the year wise depreciation is calculated on revised value of individual assets till 1st April, 2015 & given effect of the same. This resulted in increase in depreciation amounting to Rs. 4632.13 Crores in 2015. Further, the assets which were present as on 5th June, 2005 & has been reclassified to non-current assets held for sale during subsequent years, the revised value of such assets amounting to Rs. 21.66 Crores has also been written-off as on 01-04-2015. Both the above items had been presented as extra ordinary items in F.Y. 2015-16 which was reversed under retained earnings and the balance sheet as on 1st April, 2015 was restated & the balance of extraordinary item i.e. depreciation pertaining F.Y. 2015-16 was carried under the head depreciation for the year in F.Y. 2015-16 through Statement of Profit and Loss.

H Prior Period Items

The company has restated the financial statements of previous year in case the total amount of Income/expenditure (Net) pertaining to previous year is more than threshold limit.

I Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred tax is done using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Note 29 Lease Disclosures

A) Finance Lease

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

As at 31.03.17 (Rs in Lakhs)

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

As at 31.03.16 (Rs in Lakhs)

Particulars	Land
Gross carrying amount	10,003.61
Accumulated amortisation	850.38
Amortisation recognised in statement of P&L	53.02

As at 01.04.15 (Rs in Lakhs)

Particulars	Land
Gross carrying amount	8,121.71
Accumulated amortisation	797.36
Amortisation recognised in statement of P&L	25.31

(Rs in Lakhs)

Particulars	As at 31.03.17		As at 31.03.16		As at 01.04.15	
	Minimum Lease payment	Present value of MLP	Minimum Lease payment	Present value of MLP	Minimum Lease payment	Present value of MLP
Within one year	-	-	-	-	-	-
After one but not more than five years	-	-	-	-	-	-
More than five years	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-
Less : amounts representing finance charges	-	-	-	-	-	-
Present value of minimum lease payments	-	-	-	-	-	-

B) Operating lease

a) Leases as lessee

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

ii) Future minimum rentals payable under non-cancellable operating leases are as follows

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Not later than one year	1,086.49	1,085.77	957.68
Later than one year and not later than five years	7.13	1,093.61	1,922.02
Later than five years	-	-	-

iii) Amounts recognised in profit or loss

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Lease expense	1,185.98	1,077.19	957.10
Contingent rent expense	-	-	-

b) Leases as lessor

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

As at 31.03.17 (Rs in Lakhs)

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

As at 31.03.16 (Rs in Lakhs)

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

As at 01.04.15 (Rs in Lakhs)

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

Note 30 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 cannot be applied to reliably measure provident fund liabilities in absence of guidance from the Actuary Society of India. The investment value is lower by Rs. 3,460 Lakhs (P.Y. Rs. 2,199 Lakhs excess) than subscription value, hence provision is made accordingly. The Company recognised Rs. 7384.84 lakhs (previous year Rs. 8234.77 lakhs) for Provident Fund contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Provident Fund

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

(Rs in Lakhs)			
Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Liability for subscriptions and interest payable to employees at the end of the year	126,716	119,739	104,874
Fair value of plan assets at the end of the year	123,256	121,938	105,807
Net Liability	3,460.07	(2,198.71)	(933.00)

ii) Description of plan assets

(Rs in Lakhs)			
Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Special Deposit Schemes(SDS)	27.51%	29.41%	31.64%
Other Security Guarantee by Central/State Govt	5.92%	-	-
Government Securities (GOI)	16.47%	27.98%	33.55%
State Development Loan (SDL)	15.43%	-	-
Debt's and Other Related Instrument	33.55%	35.10%	33.95%
Exchange Traded Fund (ETF)	1.12%	0.52%	-
Others	-	6.99%	0.86%

b) Defined Benefit Plan : Gratuity

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

Gratuity (Unfunded)

Movement in net defined benefit (asset)/ liability

i) Reconciliation of opening and closing balances of Gratuity obligation (Rs in Lakhs)

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Defined benefit obligation at the beginning of the year	42,104.36	42,985.51	41,938.20
Current service cost	1,888.01	1,843.51	1,622.29
Interest cost	3,309.40	3,404.45	3,921.22
Actuarial (gain)/loss	3,113.70	3,126.64	5,372.25
Benefits paid	(9,128.51)	(9,255.75)	(9,868.45)
Defined benefit obligation at the end of the year	41,286.97	42,104.36	42,985.51

ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
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 31.03.2017	As at 31.03.2016	As at 01.04.2015
Fair value of plan assets as at the end of the year	-	-	-
Present value of obligations as at the end of the year	(41,286.97)	(42,104.36)	(42,985.51)
Unfunded (Liability)/asset recognized in the Balance Sheet*	(41,286.97)	(42,104.36)	(42,985.51)

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

Particulars	As at 31.03.2017	As at 31.03.2016
Current service cost	1,888.01	1,843.51
Interest cost	3,309.40	3,404.45
Expected return on plan assets	-	-
Net Actuarial (gain)/loss	-	-
Total expenses recognized in the Statement of Profit and Loss account	5,197.41	5,247.96
Actual return on plan assets	-	-

v) Amount recognised in Other Comprehensive Income :

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions	-	-
- Changes in Financial arrangements	1,031.79	120.60
- Changes in the effect of limiting a net defined benefit asset ceiling, excluding amounts included in interest	-	-
- Experience adjustments	2,081.91	3,006.04
- Return on Plan assets excluding amounts net interest cost	-	-

vi) Major Actuarial Assumptions

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discount rate	7.39%	7.86%	7.92%
Estimated return on plan assets	7.39%	7.86%	7.92%
Salary increment	5%	5%	5%
Employee turnover	2%	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A	N.A	N.A

vii) The expected future cash flows as on :

(Rs in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Projected benefits payable in future years from the date of reporting		
1st following year	8,387.96	6,566.92
2nd following year	4,827.14	7,952.46
3rd following year	6,745.79	6,440.08
4th following year	4,268.51	6,139.07
5th following year	3,588.03	3,197.43
Years 6 to 10	11,341.44	11,774.24

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.

Particulars	March 31, 2017	March 31, 2016
(+) 1% change in rate of discounting	(2,118.17)	(1,985.46)
(-) 1% change in rate of discounting	2,438.62	2,113.76
(+) 1% change in rate of salary increase	2,473.00	2,154.74
(-) 1% change in rate of salary increase	(2,182.49)	(2,052.09)
(+) 1% change in rate of employee turnover	457.68	399.60
(-) 1% change in rate of employee turnover	(515.53)	(594.72)

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

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

c) Long Term Benefits : Leave Encashment

i) The Projected Benefit Obligation towards this Accumulating paid absences (Earn Leave Valuation) is tabulated below:

Particulars	(Rs in Lakhs)	
	As at 31.03.2017	As at 31.03.2016
Projected Benefit Obligation	24,860.39	22,053.01
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.

ii) Major Actuarial Assumptions (Earn Leave Valuation)

Particulars	(Rs in Lakhs)	
	As at 31.03.2017	As at 31.03.2016
Discount rate	7.39%	7.86%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years
While in service encashment rate	10% for the next year	10% for the next year

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

Particulars	(Rs in Lakhs)	
	As at 31.03.2017	As at 31.03.2016
Projected Benefit Obligation	11,792.36	11,056.48
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.

iv) Major Actuarial Assumptions (Half paid leave)

Particulars	(Rs in Lakhs)	
	As at 31.03.2017	As at 31.03.2016
Discount rate	7.39%	7.86%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	India Assured Lives Mortality (2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years

Note 31: Related Party Transactions

1 Names of related parties

a) Associates

Jaigad Power Transco Limited

Maharashtra Transmission Communication Infrastructure Limited

b) Key Management Personnel

Key Management Personnel Name	Designation	With effect from
Shri. Rajeevkumar Prembushan Mital	Chairman & Managing Director	06.01.2015
Shri. Vinayak Sathe	Director Finance	02.04.2016
Ms. Vineeta Shriwani	Company Secretary	22.06.2015
Shri. Omprakash Kanhayya Yempal	Director (Operations)	06.07.2011
Shri. Ravindra Dinkarrao Chavan	Director (Projects)	05.05.2015
Shri. Mukesh Khullar	Nominee Director	02.02.2015 to 07.05.2016
Smt. Pushpa Ramcharan Chavan	Independent Director	26.06.2014
Shri. Vishwas Pathak	Independent Director	24.08.2015
Shri. Bipin Kumar Shrimali	Nominee Director	07.05.2016 to 30.03.2017
Shri. P.V. Page	Independent Director	19.08.2014 to 29.04.2015
Shri. Pratap Ganpatrao Mohite	Director Finance	25.04.2011 to 06.06.2015
Shri. Arvind Singh	Nominee Director	30.03.2017

c) Remuneration paid to Key Managerial Personnel

(Rs in Lakhs)

Key Management Personnel Name	2016-17	2015-16
Shri. Rajeevkumar Prembushan Mital	23.64	18.70
Shri. Vinayak Sathe	20.12	-
Ms. Vineeta Shriwani	14.84	11.73
Shri. Omprakash Kanhayya Yempal	30.77	27.67
Shri. Ravindra Dinkarrao Chavan	25.24	21.46
Shri. Mukesh Khullar	-	-
Shri. Bipin Kumar Shrimali	-	-
Shri. Pratap Ganpatrao Mohite	-	6.58
Shri Arvind Singh	-	-

d) Sitting Fees paid to Independent Directors

(Rs in Lakhs)

Name of Independent Directors	2016-17	2015-16
Shri. P.V. Page	-	-
Smt. Pushpa Ramcharan Chavan	0.60	0.55
Shri. Vishwas Pathak	0.90	0.60

e) Transactions during the year with Associates:

(Rs in Lakhs)			
Particulars	2016-17	2015-16	2014-15
<u>Jaigad Power Transco Limited</u>			
Dividend income	357.50	1,014.99	357.50
Bay Maintenance income	33.18	35.77	26.81
Investment in Associates	-	-	-
A	390.68	1050.76	384.31
<u>Maharashtra Transmission Communication Infrastructure Limited</u>			
Investment in Equity Shares	-	176.30	208.70
B	-	176.30	208.70
Total (A+B)	390.68	1227.06	593.01

f) Outstanding balances with Associates:

(Rs in Lakhs)			
Name of Associates	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<u>Investments in Equity Shares</u>			
Jaigad Power Transco Limited	3575.00	3575.00	3575.00
Maharashtra Transmission Communication Infrastructure Limited	522.37	522.37	346.07

- 2 Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.
- 3 The Company has not included disclosure in respect of following related parties which are Government related entities as per Ind AS 24:
 - Maharashtra State Power Generation Company Limited (MahaGenco)
 - Maharashtra State Electricity Distribution Company Limited (MahaVitran)
 - MSEB Holding Company Limited (MSEB Holding Company Limited)

Note 32 : Government Grants for capital assets

(Rs in Lakhs)

Capital / Government grants	Amount
As at 1 April 2015	18,260.00
Received during FY 2015-2016	
Government Grant amortised during FY 2015-2016	731.26
As at 31.03.2016	17,528.74
Received during FY 2016-2017	-
Government Grant amortised during FY 2016-2017	811.26
As at 31.03.2017	16,717.48

	31.03.17	31.03.16
Current	809.98	811.26
Non-current	15,907.50	16,717.48
Total	16717.48	17528.74

Note 33 : Earnings Per Share (EPS)

Profit attributable to Equity holders of Company

(Rs in Lakhs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Profit attributable to equity holders of the Company for basic and diluted earnings per share	(506.94)	48,053.67

Weighted average number of ordinary shares

(Rs in Lakhs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Weighted average number of shares at March 31 for basic and diluted earnings per shares	8,984,974,733	8,984,974,733

(Rs in Lakhs)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Basic and Diluted earnings per share	(0.01)	0.53

Note 34 : Tax expense

(a) Amounts recognised in statement of profit and loss

(Rs in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current year	1,221.00	4,287.71
Short/Excess provision for earlier years	-	(16,462.96)
Current tax expense (A)	1,221.00	(12,175.25)
Origination and reversal of temporary differences	8,120.97	13,710.54
Deferred tax expense (B)	8,120.97	13,710.54
Tax expense recognised in the current statement (A) + (B)	9,341.97	1,535.29

(b) Amounts recognised in Other Comprehensive Income

(Rs in Lakhs)

Particulars	For the year ended March 31, 2017			For the year ended March 31, 2016		
	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 : Remeasurement of the defined benefit plans	(3,113.70)	1,077.59	(2,036.11)	(3,126.64)	1,082.07	(2,044.57)
Equity Instruments through Other Comprehensive Income				-	-	-
	(3,113.70)	1,077.59	(2,036.11)	(3,126.64)	1,082.07	(2,044.57)

(c) Reconciliation of effective tax rate

(Rs in Lakhs)

Particulars	2016-17		2015-16	
	%	Rs. In lakhs	%	Rs. In lakhs
Profit before tax	-	8,835.03		(49,588.95)
Tax using the Company's domestic tax rate	(21.34)	3,057.63	(34.608)	(17,161.75)
Increase in tax rate	-			-
Tax effect of:				
Non-deductible tax expenses	-	-	37.483	153,008.26
Tax-exempt income	-	-	(0.09)	(351.27)
Deduction u/s 80-IA	-	-	(1.62)	(6,601.39)
Others	-	-	(0.12)	(495.35)
	(21.34)	3,057.63	1.05	128,398.51

(d) Movement in deferred tax balances

(Rs in Lakhs)

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	March 31, 2017		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets)	(183,935.20)	(9,813.13)		-	(193,748.33)		(193,748.33)
Loans and borrowings	(189.07)	33.09		-	(155.98)		(155.98)
Employee benefits	20,852.85	750.89		-	21,603.74	21,603.74	
Provisions	50.68	912.40		-	963.08	963.08	
Inventories	322.57	796.40		-	1,118.97	1,118.97	
Revaluation of Property, plant and equipment	(60,122.18)	-		-	(60,122.18)		(60,122.18)
Government grant	102.27	67.85		-	170.12	170.12	
Investment in government security	1,357.98	209.11		-	1,567.09	1,567.09	
Other items	7,778.40			-	7,778.40	7,778.40	
Tax assets (Liabilities)	(213,781.70)	(7,043.39)	-	-	(220,825.09)	33201.40	
Reversal of Opening DTL	3,499.92			-	3,499.92	3,499.92	
Tax assets (Liabilities) (Net)	(210,281.78)	(7,043.39)	-	-	(217,325.17)	36701.32	(254,026.49)

(e) Movement in deferred tax balances

(Rs in Lakhs)

Particulars	Net balance April 1, 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	March 31, 2016		
					Net	Deferred tax asset	Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets)	(169,097.34)	(14,837.86)		-	(183,935.20)		183,935.20
Loans and borrowings	(277.97)	88.90		-	(189.07)		(189.07)
Employee benefits	19,098.62	672.15	1082.07	-	20,852.84	20,852.84	
Provisions	50.68			-	50.68	50.68	
Stores and spares	38.11	284.46		-	322.57	322.57	
Revaluation of Property, plant and equipment	(60,122.18)	-		-	(60,122.18)		(60,122.18)
Government grant	35.96	66.31		-	102.27	102.27	
Investment in government security	1,342.48	15.50		-	1,357.98	1,357.98	
Other items	7,778.40			-	7,778.40	7,778.40	
Tax assets (Liabilities)	(201,153.24)	(13,710.53)	1,082.07	-	(213,781.71)	30,464.74	123,623.95
Reversal of Opening DTL	3,499.92			-	3,499.92		
Tax assets (Liabilities) (Net)	(197,653.32)	(13,710.53)	1,082.07	-	(210,281.79)	30,464.74	123,623.95

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

Note No. 35

Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost:

Particulars	31.03.2017				31.03.2016				01.04.2015				(Rs in Lakhs)
	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised Cost	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised Cost	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised Cost	
Non -current financial Assets													
Investments			41,209.43				44,756.03				43,137.68		
Loans			23,644.86				23,323.24				23,319.86		
Other non - current financial assets			-				-				-		
Current Financial assets													
Investments			41,209.43				44,756.03				43,137.68		
Loans			23,644.86				23,323.24				23,319.86		
Other Financial Assets			-				-				-		
Total	-	-	129,708.57	-	-	-	136,158.55	-	-	-	132,915.07	-	-
Non - current Financial Liabilities													
Borrowings			672,954.35				612,163.72				652,370.96		
Other non - current Financial Liabilities			146,789.34				139,215.29				137,145.59		
Current Financial liabilities													
Borrowings			68,867.07				10,000.00				-		
Trade Payables			24,767.34				30,737.92				44,247.33		
Other Financial Liabilities			73,776.13				162,686.97				170,172.45		
Total	-	-	987,154.23	-	-	-	954,803.89	-	-	-	1,003,936.33	-	-

Trade receivables:

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

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Past due 0-180 days	131,003.72		142,600.85		254,383.82	
Past due 180-360 days	115,537.34		94,746.57		20,038.10	
More than 360 days	21,392.00	2,636.39	-		-	
	267,933.06	2,636.39	237,347.42	-	274,421.92	-

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

	(Rs in Lakhs)
Balance as at 01.04.2015	-
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
Balance as at 31.03.2016	-
Add : Expected Credit loss recognised	-
Less : Amounts written off	-
Balance as at 31.03.2017	-

Cash and cash equivalents:

	(Rs in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Cash and cash equivalents	6,359.98	6,510.86	2,179.53

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. Mahagenco 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								
	31.03.2017			31.03.2016			01.04.2015		
	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years	Upto 1 year	1-3 years	more than 3 years
Non-derivative financial liabilities									
Borrowings	91,965	275,895	401,470	90,960	274,890	428,328	91,692	274,617	469,578
Total	91,965	275,895	401,470	90,960	274,890	428,328	91,692	274,617	469,578

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

Currency risk:

Interest rate risk exposure:

(Rs in Lakhs)

Particulars	Carrying amount		
	31.03.2017	31.03.2016	01.04.2015
Fixed-rate instruments			
Financial assets	48,106.12	49,539.77	50,552.83
Financial liabilities	32,089.16	37,975.25	39,280.94
Variable-rate instruments			
Financial assets			
Financial liabilities	640,865.19	574,188.46	613,090.01

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	25 bp increase	25 bp decrease
	31.03.2017		31.03.2016		01.04.2015	
Floating rate borrowings	1,602.16	(1,602.16)	1,435.47	(1,435.47)	1,532.73	(1,532.73)
Interest rate swaps (notional principal amount)	-	-	-	-	-	-
Cash flow sensitivity (net)	1,602.16	(1,602.16)	1,435.47	(1,435.47)	1,532.73	(1,532.73)

Commodity Risk

Company operates in rate regulatory environment. Company's cost comprises mainly of coal cost. Any variation in the coal cost is allowed to be recovered from consumers at actuals subject to performance parameters to be achieved. Hence, company doesn't have significant risk on account of variation in coal price.

'Note 36 : Details of Associates

(Rs in Lakhs)

Name of Associate	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group		
			As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Jaigad Power Transco Ltd (JPTL)	Transmission of electricity	Mumbai	26%	26%	26%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	27.90%	27.90%	28.17%

Aggregate Summarised Financial Information of Associates that are not individually material

(Rs in Lakhs)

Associates	JPTL		MTCIL	
Particulars	2016-17	2015-16	2016-17	2015-16
Carrying amount of Investment in equity	3,575.00	3,575.00	522.37	522.37
Company's Share of Profit or Loss from Continuing Operations	729.75	1,326.52	(121.09)	(16.07)
Company's share of post-tax profit or loss from discontinued operations	-	-	-	-
Company's share in other comprehensive income	0.24	0.07	0.36	-
Company's share in Total comprehensive income	729.99	1,326.59	(120.73)	(16.07)

(Rs in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Aggregate carrying amount of the Company's interest in these Associates	4,097.37	4,097.37	3,921.07
Impairment of Goodwill/Investments	-	-	-
Carrying amount of the Company's interest in these Associates	4,097.37	4,097.37	3,921.07

Note 37 : Assets hypothecated / pledged as security

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

(Rs in Lakhs)			
Particulars	As at 31.03.17	As at 31.03.16	As at 01.04.15
Security created in respect of Non-current Borrowings			
Property, plant and equipment excluding leasehold land	1,898,786.00	1,835,159.00	1,834,000.00
Security created in respect of Current Borrowings			
i) Inventories	60,000.00	-	-
ii) Trade receivables	-	-	-
Total assets as security	1,958,786.00	1,835,159.00	1,834,000.00

Note 38 : Corporate Social Responsibility

(Rs in Lakhs)		
Particulars	2016-17	2015-16
a) Unspent CSR Expenditure carried forward from previous year (Opening Provision)	7,752.17	3,300.00
b) Amount required to be spent by the company during the year.	683.98	4,452.17
c) Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company)#	343.70	-
d) Provision created for balance amount (Closing Provision)	8,092.44	7,752.17

The above expenditure were transferred to Maharashtra State Power Generation Company Limited (MSPGCL) which was utilised to carry out proposal of erection and commissioning of LED street lights on recommendation of CSR committee of the company.

Note 39: Specified Bank Notes (SBN)

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are provided in the Table below:-

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1,001,000	354,509	1,355,509
(+) Permitted receipts	534,015	21,934,411	22,464,426
(-) Permitted payments	113,500	19,098,457	19,211,957
(-) Amount deposited in Banks	1,421,515	1,953,261	3,374,776
Closing cash in hand as on 30.12.2016	-	1,237,202	1,233,202

Note 40: Capital Management

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

(Rs in Lakhs)			
Particulars	31.03.2017	31.03.2016	01.04.2015
Long term borrowings (Rs. Crores)	672,954.35	612,163.72	652,370.96
Equity share Capital (Rs. Crores)	898,497.47	898,497.47	5.00
Debt to Equity ratio	0.75	0.68	130,474.19

Note 41 : Other Notes

41.1 Contingency Reserve and Special Reserve:

As per directions of MERC vide Order No. 31 of 2016 dated 7th July, 2016, the company for FY 2016-17 has appropriated an amount of Rs. 5546 Lakhs (Previous Year Rs. 5149 Lakhs) towards Contingency Reserve. Furthermore, an amount of Rs. NIL (Previous Year Rs. NIL) has been appropriated towards Special Reserve.

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
REC	NIL	382,916.94	-	382,916.94
PFC	186	222,937.08	-	223,123.08
Union Bank of India	-	8,698.65	-	8,698.65
Bank of Baroda	-	7,462.65	-	7,462.65
IFC	-	---	13,758.75	13,758.75
OBC	-	5,088.97	-	5,088.97

Repayment Schedule of Long Term Loan Liabilities

(Rs. in Lakhs)

Particulars	Rural Electrification Corporation	Power Finance Corporation	Union Bank of India	Bank of Baroda	IFC	JICA	OBC
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term loan
Loan Amount	Up to Borrowing Limit	Up to Borrowing Limit	Rs 33570.00 Lakhs	Rs 26400.00 Lakhs	Rs 24460.00 Lakhs	Rs.61849.00 Lakhs (16749 million Yen) (12070.58 MJPY)	Rs. 27673.00 Lakhs
Period (Term)	13 Years (3+10)	17 Years (2+15)	15 Years (2+13)	15 Years (2+13)	11 Years (3+8)	15 Years (5+10)	10 years
Moratorium Period	3 Years	2 Years	2 Years	2 Years	3 Years	5 Years	-
Repayment	Repayment is on going	Repayment is on going	Repayment is Started	Repayment is Started	Repayment is Started	Repayment is Started	Repayment is started
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Debt Restructuring
Rate of Interest (Floating)	11.15%	11.87%	10.90% p.a. With annually reset	10.95% p.a. With annually reset	10.57%	0.75%	10.25%
Terms of Payment	Yearly	Quarterly	156 monthly instalments	156 monthly instalments	Semi Annually	Semi Annually	Quarterly & yearly
Upfront Fees	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Nil	Nil	1% of the Loan Sanctioned	Nil	Nil
Commitment Charges	Upto 500 Cr - Nil Above 500 Cr - 0.25% P.A. on undrawn Amount of Quarter till the Date of Actual Drawl	Upto 500 Cr - Nil Above 500 Cr - 0.25% P.A. on undrawn Amount of the Previous Quarter from the first day of following Quarter till the Actual Date of Drawl	Nil	Nil	0.50% of the undrawn amount of Loan has not been disbursed	Nil	Nil
Margin Money Requirement (Equity) From 01.04.2017	25.00%	25.00%	20.00%	20.00%	20.00%	VAT, CST/ ED Paid by MSETCL	Nil

Foreign Currency Loan

Loan Secured by	JICA (Rs.) in Lakhs	JICA (¥) in Million
Guarantee from Central Government	32,499.92	5,556.85

¥ Japanese Yen

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

Note 42 : Contingent Liabilities (Ind AS 37) : (In excess of Rs. Ten Lakhs individually in value)

1 2710 : CCCM Dn.Aurangabad

The contract of Construction of gantry equipment foundation and other works (Matter-I) and construction of WBM road, road side Gutter and other works (Matter-II) at 220 KV S/Stn, MIDC, Jalna was awarded to M/s. Balraje Construction, Geroi by erstwhile MSEB.

Special Leave Pitition No. 15749/2011 Dt. 09.05.2011 which is converted into Civil Appeal No. 8157 of 2014

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

Meanwhile, on 18/01/2010, judgement was held in favour of Company at Principle District Court, Aurangabad. Accordingly, assessment of claims & interest charges over the claims delivered by the Hon. Principle District Judge, Aurangabad, were prepared & submitted to concerned pleader. The total amount due to M/s Balraje Constructions was Rs. 9.68 Lakhs (Matter-1) and Rs. 3.38 Lakhs (Matter-II) i.e. Rs. 13.06 Lakhs including interest. The same has been deposited in the Hon'ble District Court Aurangabad.

Further, summons from Hon. High court Mumbai, Aurangabad bench for arbitration appeal No.8/2010 & 7/2010 scheduled at 16/07/2010. The judgement was given by the Hon'ble High Court Mumbai Bench Aurangabad on dated 25/04/2011 & referred the matter to the sole Arbitrator. But MSETCL opted to file SLP against the order. Now special leave petition vide SLP No. 15457/2011 dated 09/05/2011 (Matter-1) and SLP No.15309/2011 dated 06-05-2011 (Matter-II) is filed in Hon'ble Supreme Court New Delhi. As per Supreme Court order against SLP No. 15457/2011 dated 09/05/2011 (Matter-1) granted stay and SLP No.15309/2011 dated 06/05/2011 (Matter-II) the amount involved is small, the SLP is dismissed and again referred the matter to the sole arbitrator.

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

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

Thereafter, the contractor went to Jalgaon Court for the payment of un-executed work.

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

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

3 1620 Amaravati Constn Divn

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

4 4710 CCCM Dn Nagpur Case No 42/2003

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

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

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

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

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

6 Civil Court Ahmednagar has held in the case filed by Mr. Bahiru R. Gunjal (Late) & his descendants and ordered MSETCL to pay Rs. 14.12 Lakhs to the appellant as additional compensation for land acquisition. The land was acquired for the purpose of erection of 220 KV Kedgaon Sub Station, Ahmednagar. Against the order, MSETCL has deposited Rs. 14.12 Lakhs in the court on 08/09/2011. However, Mr. Bahiru R. Gunjal (Late) & his descendants have applied for higher compensation and the case is pending in the High Court for final decision. The contingent liability in the case is not quantifiable.

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

8 4310 HVDC TIO&M Division, Chandrapur Case No 410 dt 27 04 1993

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

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

contingent liability in this case may amount to Rs. 160.35 Lakhs.

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

10 1600 FHV Constn Circle, Amaravati

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

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

- a) The matter is pertaining to Pune Urban Zone of erstwhile MSEB regarding applicability of ESIC Scheme. The amount is pertaining to R.S.O&M Division Pune transferred to Pune Urban Zone, MSEB. The ESIC authority appealed in 2006 in Mumbai High Court against the ESIC Court Pune order which was in favour of MSEB. At present the matter is pending with Mumbai High Court. The contingent liability in this case is Rs. 22 Lakhs.
- b) Rectification application dated 27.01.2009 for AY 2006-07 has been filed against demand of Rs.18 Lakhs vide order dated 31.12.2008 passed under section 115 WE(3) of Income Tax Act, 1961 in respect of FBT. The same is pending with assessing officer. Contingent Liability in this case is Rs.18 Lakhs.
- c) Rectification Application dated 01.02.2012 for AY 2008-09 is pending with Assistant Commissioner of Income Tax. The same has not been acted upon. Contingent liability in this case is Rs. 3.28 Lakhs. Furthermore proceedings are also pending before ITAT.
- d) Appeal for AY 09-10 was filed on 01.05.2014 with CIT (A) against the order dated 30.03.2014 of DCIT. The proceedings before CIT (A) are under process. Contingent liability in this case is Rs. 19,001 Lakhs.
- e) The appeal dated 15.05.2015 for the AY 2010-11 is pending before the Income-Tax Appellate Tribunal and the appellate proceedings before the commissioner of Income Tax (Appeals) have been completed vide order dated 10.02.2015. However the order giving effect to the same is pending. Contingent Liability in this case is Rs.3,519 Lakhs.
- f) Appeal dated 07.05.2015 for AY 2012-13 is pending before CIT (A) against the assessment order dated 31.03.2015. Contingent Liability in this case is Rs. 311 Lakhs.

12 1120 : EHV 0 & M Dn. Akola

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

13 4710 CCCM Dn Nagpur Case Dated 03 03 2014

Work of construction of gantry foundation & allied Civil works at 132 KV S/stn. Hingna-11 Nagpur to M/s. Unique Associates, Nagpur. Work order placed by SE(C). WO Amt. Rs. 4566.03 Lakhs. Due to slow progress work terminated by SE(C) Agency invoked arbitration. Arbitration claim Rs. 48.13/- Lakhs. Revised claim submitted by the agency on 28.09.2015 for Rs. 65.52/- Lakhs.

14 5720 -CCCM Dn Jalgaon Case no 331/2008 & RTS Appeal No /2010 dt 04 06 2010

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

15 5720 CCCM Dnjalgaon Special Darkhast No 03/2013 dt 11.09.2013

Award towards additional land compensation declared on 5.11.2011 by Shri JM Phadke, Sole Arbitrator, Pune is challenged in court of Law at Dhule & now at Jalgaon in Sep-2013. Contractor M/s.Varsha Constn.Co.Dhule. The liability may come to Rs. 15, 54,000.

16 6120 -FHV O&M Dn 11 Pune Case No 980/2008

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

17 6210: FHV O&M Dn Solapur Appeal/13013/2015 dt 01.05.2015

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

18 7210 FHV O&M Dn Panvel Case No MACP No 444/2008

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

19 7710 - CCCM Dn Airoli Case No 398 of 2008

The contract of construction of Chief Engineer's Bungalow & Class I Jr. at Sector-19, Vashi, Navi Mumbai was awarded to M/s. D.S. Construction, Ulhasnagar by the Superintending Engineer (Civil) CCCM Circle, Kalyan MSEB (Now MSEDCL) 7th & final bill was not acceptable, hence the dispute was placed before Arbitral Tribunal. The arbitration tribunal finally awarded total amount of Rs. 41,59,511.90 against various claims of the agency. Hence, Arbitration Petition No. 398/2008 in Bombay High Court. The liability may come to Rs. 75.50 lakhs.

20 All Zone Land Compensation, Crop Compensation and ROW Cases Pending F.Y. 2016-17

1) Amravati Zone

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1	1210	EHV O&M DIV. AKOLA	High Court Aurangabad	Sou.Rekha S. Dikondwar & other one Latur	34.90	7.79
2	1620	EHV Const.Div.Amravati	District Court, Amravati	Haribhau Gughane V/S Executive Engineer EHV Constn, Divn, Amravati.	0.45	0.45
3	1620	EHV Const.Div.Amravati	Civil Court,Yavatmal	Mohmmad Aslam, Po- Yavatmal.	1.50	-
4	1620	EHV Const.Div.Amravati	Civil Court (Lower) Pusad	EE MSETCL Amravati V/S Nasir Khan Kausar Khan Pusad	0.64	-
5	1620	EHV Const.Div.Amravati	Civil Court (Lower)Pusad	EE MSETCL Amravati V/S Kausar Khan Akthar Khan Pusad	2.73	-
6	1710	EHV CCCM Div Amravati	District & Session Judge Yavatmal	M/s AKD Associates Nagpur	5.81	-
7	1710	EHV CCCM Div Amravati	Adhoc D.J. 2 Amravati (Judge - P.R. Modak)	M/s A.K.D. Associate Nagpur	2.86	-
8	1710	EHV CCCM Div Amravati	C.J.S.D. Darwha	Shri Uttamrao Raut Land owner	27.43	-
9	1710	EHV CCCM Div Amravati	Civil Judge Ghatanji	Shri Gadewar	0.70	-

2) Aurangabad Zone

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1	2610	EHV Project.Divn.Aurangabad	High Court of Bombay Bench at Aurangabad	Nandu Bala Rathod & others	8.29	8.29
2	2610	EHV Project.Divn.Aurangabad	High Court, Aurangabad	Arunabai Shivsigh Pardesi Vs State of Maharashtra	-	-
3	2610	EHV Project.Divn.Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Kisanlala Bramhanath & 11 others	139.00	-
4	2610	EHV Project.Divn.Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Babu R. Chavan & 7 others	-	-
5	2610	EHV Project.Divn.Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Ambadas Dhavle & 56 others	-	-
6	2610	EHV Project.Divn.Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Kalash Bala Bodkhe & 5 others	-	-
7	2610	EHV Project.Divn.Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Dhansingh P. Rathod & 249 others	-	-
8	2610	EHV Project.Divn.Aurangabad	Hon. Supreme Court of India	District Collector, Abad, Shankar K. Rathod & 14 others	-	-
9	2610	EHV Project.Divn.Aurangabad	High Court of Aurangabad	District Collector, Abad, Ramkisan A. Jinwal & 13 others	-	-
10	2610	EHV Project.Divn.Aurangabad	MERC	Shri. Kalyan Appa Wagh	-	-
11	2610	EHV Project.Divn.Aurangabad	Hon. High Court of Bombay Bench at Nagpur	Shri. Subhash K. Chavan & others	-	-
12	2610	EHV Project.Divn.Aurangabad	Hon. High Court of Bombay Bench at Aurangabad	Shri. Pandurang R. Zhinjurde	1.44	-
13	2610	EHV Project.Divn.Aurangabad	Hon. High Court of Bombay Bench at Aurangabad	Shri. Ram S. Kulkarni	1.12	-
14	2610	EHV Project.Divn.Aurangabad	Hon. High Court of Bombay Bench at Aurangabad	Shri. Manohar S. Zhinjurde	0.88	-
15	2610	EHV Project.Divn.Aurangabad	Hon. High Court of Bombay Bench at Aurangabad	Shri. Ganpat K. Zhinjurde	1.37	-
16	2610	EHV Project.Divn.Aurangabad	Hon. High Court of Bombay Bench at Aurangabad	Shri. Arjun D. Pawar	-	-
17	2610	EHV Project.Divn.Aurangabad	District Court Aurangabad	Chainsingh A. Jonwal	2.00	-
18	2610	EHV Project.Divn.Aurangabad	Hon. High Court of Bombay Bench at Aurangabad	Vinod Baburao Rathod	-	-
19	2610	EHV Project.Divn.Aurangabad	Hon. High Court of Bombay Bench at Aurangabad	MSETCL Vs Chainsingh Asaram Jonwal	2.00	-
20	2610	EHV Project.Divn.Aurangabad	District Court, Jalna	Sandeep A. Sawade & others	12.00	-
21	2630	EHV Project Division Nanded	District Magistrate Nanded	Shankar Laxman Dhange & Other 19	10.00	-
22	2630	EHV Project Division Nanded	District Magistrate Nanded	Shri Dadarao Purbhaji Mungal & 15 Other	20.00	-
23	2630	EHV Project Division Nanded	District Magistrate Parbhani,	Chander P. Kature & Others i/r of 400KV Chandrapur-Parli line.	10.00	-
24	2630	EHV Project Division Nanded	High court Aurangabad	Shri.Pravin Nagnathrao Paldewar .	10.00	-
25	2630	EHV Project Division Nanded	MERC, Mumbai	Vikram Shivaji Mugal & others	10.00	-
26	2630	EHV Project Division Nanded	District Magistrate Nanded	Vimal Balaji Puyad	1.92	-
27	2720	EHV CCCM Division Parbhani	Hon. High court bench Aurangabad	Shri. Gangadhar Nagnath Kondawar and Shri Shankar Nagnath Kondawar r/o Kundalwadi	17.32	0.33
28	2720	EHV CCCM Division Parbhani	Hon. High court bench Aurangabad	Shri. Namdev Ramji Gudetwar r/o Himayatnagar Dist.Nanded. V/S	20.06	0.06
29	2720	EHV CCCM Division Parbhani	Hon. C.J.S.D . Court Gangakhed.	Anantrao K Ambekar Through LRS Smt. Ushatai A Ambekar & others.	43.16	-
30	2720	EHV CCCM Division Parbhani	Hon. HC Aurangabad	1.Smt. Budhabai Balaji Hamad R/o Kumdalwadi	1.57	0.75
31	2720	EHV CCCM Division Parbhani	Hon. High court bench Aurangabad	1.Smt. Punjabai Dhondiba Madane r/o Umri	3.09	8.20
32	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	Veermath Sansthan Trust. Ahmedpur Dist. Latur	107.00	10.80
33	2730	EHV CCCM Division Latur	Dist. Court Osmnabad	Smt. Pushpabai Vijaysingh Raje	25.00	-
34	2730	EHV CCCM Division Latur	Hon. Supreme Court, Delhi.	Rajendra N Gaikwad, Beed	79.26	-

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
35	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	1) Haidarsab S/o Kasimsab Shaikh 2) Husensab S/o Haidarsab Shaikh 3) Abdulrhemam S/o Haidarsab Shaikh 4) Amir S/o Haidarsab Shaikh	1,072.00	100.00
36	2730	EHV CCCM Division Latur	Dist. Court Latur	Sambappa Shankarappa Raut & others	125.00	-
37	2730	EHV CCCM Division Latur	CJSD Nilanga	Smt. Kamlabai Govindrao Patil	43.07	43.07
38	2730	EHV CCCM Division Latur	Hon. HC Aurangabad	Veermath Sansthan Trust. Ahmedpur Dist. Latur	6.69	-
39	2730	EHV CCCM Division Latur	Dist court Osmanabad	Shri. Gulam Mohuddin Imam Saheb & others	3.49	-
40	2730	EHV CCCM Division Latur	District Court Ambejogai	Chadrashekhar S/O Sadashiv Dhabikar	80.25	-

3) Nashik Zone

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1	5620	EHV Construction Division Jalgaon	District Court Jalgaon	Shri Kishor Zope & Others	105.00	-
2	5710	EHV CCCM Dn. Nashik	HIGH COURT, Bench, Aurangabad	Mr.R. C. Nawandar & others	79.71	79.71
3	5710	EHV CCCM Dn. Nashik	HIGH COURT, Bench, Aurangabad	Heirs of Late Bahiru Raghinath Gunjal	9.06	14.12
4	5710	EHV CCCM Dn. Nashik	HIGH COURT, Bench, Aurangabad	S. R. Wani & Others	6,435.00	27.70
5	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Mr.P. N. Patil & others 3, Shahada	10.25	9.97
6	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Late Mr. R. C. Agrawal, Chopda & Its Legal Heirs.	39.52	17.76
7	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Mr. K. B. Chavan, Chopda	14.52	6.51
8	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Shri Daga Shripat Patil, Parola	14.35	14.35
9	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Shri Rama Shripat Patil, Parola	12.22	12.23
10	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Shri Prakash S. Pati, Parola	18.23	18.23
11	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Mohd. Ali Hussain Ali Chopada Dist. Jalgaon.	84.14	21.04
12	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Mr. R.G. Patil & Shri. C.G. Patil-Shahada	75.94	-
13	5720	EHV CCCM Dn. JALGAON	High-court A'bad.	Smt.Parvatabai R. Mahajan & Others 2	75.00	-
14	5720	EHV CCCM Dn. JALGAON	Civil Judge JD. Sakri	Smt.Sindhubai V Patil & Others.	10.00	-

4) Nagapur Zone

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1	4610	EHV Proj.Dn-I, Nagpur	High Court Bombay at Bench Nagpur	Smt. Kalpana Jain (Ravindra Rukhabdas Jain Gahankari) Vs. MSEB	24.52	4.84
2	4610	EHV Proj.Dn-I, Nagpur	District Judge-7, Nagpur	Shri Bhudev C. Wandhe	220.00	-
3	4610	EHV Proj.Dn-I, Nagpur	District Judge Nagpur	Shri Devanad Dattuji Awale	300.00	-
4	4610	EHV Proj.Dn-I, Nagpur	District Judge Nagpur	Smt Anusaibai Dattuji Awale	750.00	-
5	4610	EHV Proj.Dn-I, Nagpur	Distt. Judge, Wardha	Shri Ashok Shyamsunder Agarwal & 02 others	395.66	-
6	4610	EHV Proj.Dn-I, Nagpur	District Court Civil,Nagpur	Shri Harish Daulatrao Ramteke	800.00	-
7	4610	EHV Proj.Dn-I, Nagpur	District Judge No 3,Nagpur	Smt Sunanda Dhanraj Bhalerao	400.00	-
8	4610	EHV Proj.Dn-I, Nagpur	High Court Nagpur Bench	Shri.Ramchandra Jagannath Kulkarni & others	70.37	-
9	4610	EHV Proj.Dn-I, Nagpur	Distt Court Chandrapur	Shri Manohar Shantalwar Vs. MSETCL	0.76	-
10	4610	EHV Proj.Dn-I, Nagpur	Distt. Judge, Wardha	Shri Devidas Supare	6.20	-
11	4610	EHV Proj.Dn-I, Nagpur	High Court Nagpur Bench	Shri Pandurang Haridas Kite & others	2.00	2.00
12	4610	EHV Proj.Dn-I, Nagpur	Distt. Judge, Wardha	Shri Mohan Barole	5.04	-
13	4610	EHV Proj.Dn-I, Nagpur	Distt. Judge, Wardha	Mrs. Chandrakala Mohan Barole	42.75	-
14	4610	EHV Proj.Dn-I, Nagpur	District Judge 17, Suyog Building, Nagpur	Shri. Ghanshyam Umraoji Bhalerao	800.00	-
15	4630	EHV Proj.Dn. Chandrapur	District Judge-1 Warora	Shri Mahadeo Jiotode	90.00	-
16	4630	EHV Proj.Dn. Chandrapur	District Judge-1 Warora	Sau.Suman Maroti Jiotode	60.00	-
17	4630	EHV Proj.Dn. Chandrapur	District Judge-1 Warora	Sau.Kalpana Mahadeo Jiotode	-	-
18	4630	EHV Proj.Dn. Chandrapur	District Judge-1 Wardha	Sau. Kalpana Eknath Kapse	28.00	-
19	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc Distt Judge,Nagpur	Maharashtra State Textile Corporation V/s MSETCL Compensation of amount under award date 14.06.2000 in respect of land at Jattarodi	615.00	-
20	4710	EHV CCCM DIVISION, NAGPUR	Civil Judge Sr Dn..Nagpur	M/s Vijay Wargi & Sons V/S MSETCL - Claim for 220KV S/stn Umred	26.53	-
21	4710	EHV CCCM DIVISION, NAGPUR	5th Jt Civil Judge Sr Dn .Nagpur	Shriram Trading Co. Case filed against award of arbitrator	2.67	-
22	4710	EHV CCCM DIVISION, NAGPUR	5th Jt.Civil Judge Sr. Dn.Nagpur	M/s.Shriram Trading Co.Nagpur for decree regarding realisation of award amt. by arbitrator.-WBM road at Kanhan	2.67	-
23	4710	EHV CCCM DIVISION, NAGPUR	6th Jt.Civil Judge Jr Dn .Nagpur	Lucky construction V/S MSETCL Case filed for non-handing over of complete site.- Jat-Tarodi	2.63	-
24	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc. Distt Judge,Nagpur	Rajan Nagpal, Nagpur V/s MSETCL/ GOM/Sp.LAO, Nagpur. Land case at Yenva(katol)	0.12	-
25	4710	EHV CCCM DIVISION, NAGPUR	3rd Ad-Hoc. Distt Judge, Nagpur	Ajay Akhand, Fetri, Ashok Gormade, Chicholi, Nagpur V/s. MSETCL/GOM/ Sp.LAO, Nagpur Land Case at Yenwa (Katol)	0.22	-
26	4720	Office of the Executive Engineer (Civil) EHV CCCM Division, MSETCL Chandrapur	Court of Sub -Divisional Officer Hinganghat	MSETCL VS Tahasildar Samudrapur	15.55	5.51
27	4720	Office of the Executive Engineer (Civil) EHV CCCM Division, MSETCL Chandrapur	Civil Judge Senior Division Warora	Maharashtra case & other VS Dadaji Thengane & Others	5.18	-
28	4720	Office of the Executive Engineer (Civil) EHV CCCM Division, MSETCL Chandrapur	No case filed in court, discussed on local level	MSETCL vs Grampanchayat Tulana	88.00	-

5) Pune Zone

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1	6000	EHV Proj.Zone Pune	Labour Court,Pune	Shri.V.L.Satav,LDC	-	-
2	6000	EHV Proj.Zone Pune	Bombay High Court Aurangabad Bench.	Shri.B.E.Chavan,Tracer	-	-
3	6000	EHV Proj.Zone Pune	Superme court of India Delhi.	"Shri M.G.Pardeshi, Ex.Sr.Operator, 220 KV Khadki s/stn. Now retired Koregaon Park,PUNE-411001."	-	-
4	6100	EHV O&M Cir.Pune	Labour Court, PMT BUILDING NO.1, FIRST FLOOR,SWARGATE,PUNE	Shri.Milind Madhukar Wagh	0.70	-
5	6100	EHV O&M Cir.Pune	Hon.High Court Mumbai	Shri.Ashwin Narendra Wagh	12.00	-
6	6100	EHV O&M Cir.Pune	Hon.District Court Pune	B.S.Kulkarni	3.00	-
7	6100	EHV O&M Cir.Pune	Hon.Civil Court Pune		1.26	-
8	6120	EHV O&M Divn. II, Pune	Hon.Civil Court Pune	B.S.Kulkarni	1.26	-
9	6200	EHV O&M Cir.Solapur	Labour Court, Solapur	CMD/ T N Bhimale	-	-
10	6200	EHV O&M Cir.Solapur	Industrial Court, Solapur	CMD/ T N Bhimale	-	-
11	6200	EHV O&M Cir.Solapur	Civil Court Solapur	EE EHV Solapur/V.D.Somvashi	-	-
12	6600	EHV Proj.Circle, Pune	Labour Court, Pune	Shri.V.L.Satav, LDC (Resigned from Board's service)	-	-
13	6600	EHV Proj.Circle, Pune	Bombay High Court Aurangabad Bench	Shri.B.E.Chavan, Tracer EHV Cosntn.Dn-1, Pune (Caste Invalid)	-	-
14	6600	EHV Proj.Circle, Pune	Supreme court of India	Shri.Ghansham K Parate, Typist Major Store,Baramati	-	-
15	6610	EHV Proj.Dn.I Pune	Civil Judge Jr.Dn.at Saswad	Mr.Gorakhranath Madadeo Misal	-	-
16	6610	EHV Proj.Dn.I Pune	In the Court of Hon Civil Judge Jr. Div.Pune.	Bharatlal Rupchand Dharmawat	-	-
17	6620	EHV Proj.Dn.II Pune	"Civil Court Tal.Karad Dist Satara District Court Karad"	Shankar Pandurang Karnale (Pawar) Karad	-	-
18	6620	EHV Proj.Dn.II Pune	Civil Court,Junner	Shri.Ramchandra N.Shegar	-	-
19	6620	EHV Proj.Dn.II Pune	Civil Court,Pune	Mrs.Ashalata Rama Chandva Dhongade,Pune	-	-
20	6620	EHV Proj.Dn.II Pune	Civil court,Pune	Mrs.Sandhya Parage Binde,Pune	-	-
21	6630	EHV Proj.Dn.III Pune	District & Session Court Tuljapur	Navanath Dyanu Mohite	-	-
22	6630	EHV Proj.Dn.III Pune	High Court Aurangabad	1)Kureshi Maimuddian A Hakim 2) Kureshi Mehamudadi A Hakim 3) Kureshi Najamoddin A.Hakim 4) Kureshi Nasir A Hakim 5) Kureshi Saied A Hakim	-	-
23	6630	EHV Proj.Dn.III Pune	Session Court Mangalweda	1.Vandana Dembhare. 2.Shubhangi Dembhare. 3.Pragati Dembhare	-	-
24	6710	CCCM Dn.Solapur	District Court Solapur	Sou. Sulochana P. Birajdar, Solapur.	10.00	-
25	6710	CCCM Dn.Solapur	Barshi Court	B. N. Wani & Dare At. Barshi.	-	-
26	6720	CCCM Dn.Pune	Supreme Court	Shabbir 'A' Sabuwala	73.87	-
27	6720	CCCM Dn.Pune	Supreme court	Rusi Mehta	-	-
28	6720	CCCM Dn.Pune	Bombay High Court	Talson Real Estate Private Limited & Anr.	-	-
29	6720	CCCM Dn.Pune	Arbitration Case	M/S R R Kapoor contractor Ahmednagar	145.12	-

6) SLDC Kalwa

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1					-	-

7) Karad Zone

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1	3610	EHV Projects Division, Kolhapur	Civil Court, Kolhapur	M/s.Banchode Constn.Kolhapur	27.00	-

8) Vashi Zone

(Rs in Lakhs)

Sr. No.	Profit Centre No of Office	Name of the Office	Name of Court where suit was file	Name of Party against whom case is pending	Amount involved in Case (Rs.)	Amount Deposited in the Court if any (Rs.)
1	7110	EHV O&M Dn. Bhandup			3.19	-
2	7210	EHV (O&M) Division Panvel	Alibag	M.A.Segar Vs EHV (O&M) Division Panvel	2.47	-
3	7240	EHV O&M Dn Dombivali	Mumbai H/C	Smt Suman Namdeo Zalte & others V/S E.E.MSEB Mohone Dist Thane	1.18	-
4	7710	EHV CCCM DN Airoli	CIVIL COURT, VASAI	M/s.Yogeshwar Devlopers, Vasai	-	-
5	7720	EHV CCCM DN Panvel	DISTRICT COURT ALIBAG	Smt .Godavari Shantaram Shahane and others	10.00	-

Note 43: Capital commitments

Capital Commitments

Capital Expenditure contracted for at the end of reporting period but not recognised as liabilities is as follows:

Particulars	(Rs in Lakhs)		
	31.03.2017	31.03.2016	01.04.2015
Property, plant and equipment	23,943.75	12,552.22	66,260.23
Less: Capital Advances	(7,592.20)	(6,824.57)	(2,573.14)
Net Capital Commitments	31,535.95	19,376.79	68,833.37

Note 44:

Balances of Trade Receivables, financial assets - Loans and advances are subject to confirmation and reconciliation if any. The Company is taking necessary steps for reconciliation and confirmation of the same.

Note 45:

In accordance with Ind AS 36 - Impairment of assets, impairment analysis of assets of Transmission activity of the Company by evaluation of its Cash Generating Units, was carried out by outside agency in the year 2006-07 and since recoverable was more than the carrying amount thereof, no impairment loss was recognised. In the current year, there is no indication of impairment which requires re-estimating the recoverable amount of the assets.

Note 46:

The Ind AS Compliances and changes have been incorporated with the help of Independent CA Firm who have used their expertise to guide/help the Company to become Ind AS Compliant.

Note 47:

Previous year's figures have been regrouped wherever necessary for appropriate presentation of Financial Statements to comply with the provisions of Schedule III as per the Companies Act, 2013.