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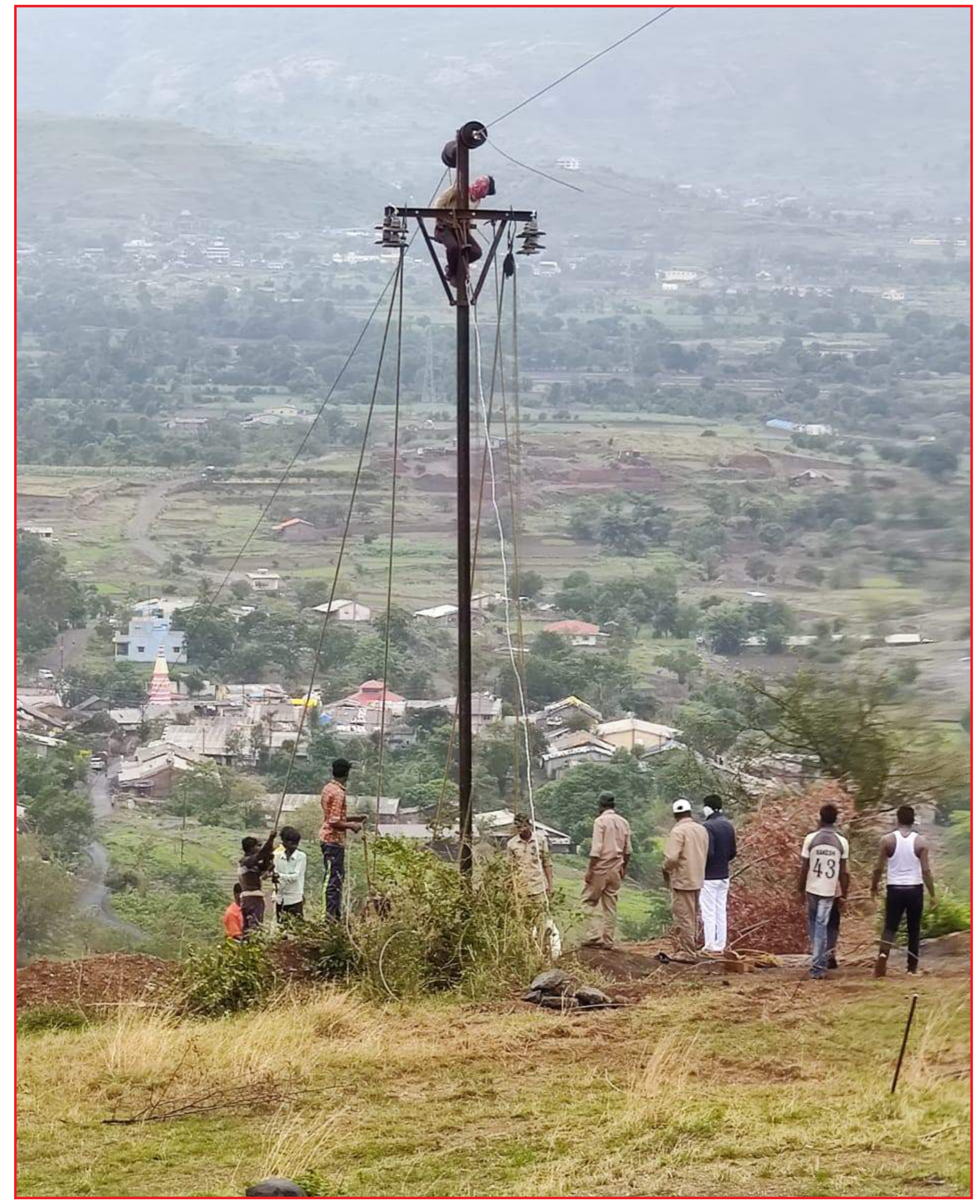
MAHAVITARAN
MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO.LTD.

REGISTERED OFFICE
Plot No. G-9, Prakashgad, Prof. Anant Kanekar Marg, Bandra (East), Mumbai - 400 051.

MAHAVITARAN
MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO.LTD.

16th Annual Report 2020-2021

MSEDCL receive national level Elets Innovation Award



Nisarg : 'Light' Flag of Power Supply by removing darkness in 1299 villages in Pune district

16th ANNUAL REPORT
2020-21

MAHAVITARAN

Maharashtra State Electricity Distribution Co. Ltd.

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MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

16th Annual Report for the year 2020-2021

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Maharashtra State Electricity Distribution Co. Ltd.

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CORPORATE DETAILS

BOARD OF DIRECTORS (From 01-04-2020 to the date of this Report)		
Sr. No.	**NAME OF THE DIRECTORS**	**DESIGNATION**
1.	Shri. Vijay Singhal, IAS, From 01/02/2021 (B.N.) to till date	Chairman & Managing Director
2	Shri. Dinesh Waghmare, IAS From 01/02/2021 to till date	Principal Secretary (Energy)
3	Shri. Aseem Kumar Gupta, IAS From 17/01/2020 (A.N.) to 01/02/2021 (B.N)	Chairman & Managing Director and Principal Secretary (Energy)
4	Shri. Ravindra Sawant From 01/07/2020 (A.N.) to till date	Director (Finance)
5	Mrs. Swati Vyavahare From 03/02/2020 (A.N.) to 01/07/2020 (A.N.)	Director (Finance) Add. Charge
6	Shri Yogesh Gadkari From 18/02/2022 to till the date of the report	Director (Commercial) Add. Charge
7	Shri. Satish Chavan From 22/01/2018 to 21/01/2021	Director (Commercial)
8	Shri. Satish Chavan From 22/01/2021 to 18/02/2022	Director (Commercial) Add. charge
9	Shri. Sanjay Taksande (From 19/03/2021 To date of this report)	Director (Operations)
10	Shri. Arvind Bhadikar From 22/01/2021 (B.N.) to 19/03/2021	Director (Operations) Add. Charge
11	Shri. Satish Chavan From 06/10/2020 (A.N.) to 22/01/2021 (B.N.)	Director (Operations) Add. Charge
12	Shri. Dinesh Rambilas Saboo From 01/11/2018 to 06/10/2020	Director (Operations)
13	Shri. Prasad Tejram Reshme From 11/03/2022 till date of report	Director (Projects)
14	Shri. Bhalchandra Khandait From 15/01/2019 to 14/01/2022	Director (Projects)
15	Shri. Sanjay Taksande From 14/01/2022 (A.N.) to 11/03/2022	Director (Projects) Add. charge
16	Dr. Naresh Bhagwanrao Gite From 13/01/2022 (B.N.) to date of this report	Director (Human Resource)
17	Shri. Pavan Kumar Ganjoo From 10/04/2019 to 14/12/2020	Director (Human Resource)
18	Shri. Bhalchandra Khandait From 14/12/2020 to 14/01/2022	Director (Human Resource) Add. Charge
19	Mrs Jyoti Nitin Chimte	Non-Executive Director
20	Mrs. Juelee Wagh From 04/06/2014 to 21/06/2020	Independent Director
21	Shri. Anil Dattatraya Palamwar From 03/08/2019 to 25/06/2020	Independent Director
22	Mrs. Neeta Sanjay Jog (From 25/03/2021 to 31/03/2022)	Non-Executive Director

MAHARASHTRA STATE ELECTIRICITY DISTRIBUTION COMPANY LIMITED

(CIN: U40109MH2005SGC153645)

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

Directors' Report
F.Y. 2020-21

COMPANY SECRETARY	STATUTORY AUDITORS
Mrs. Anjali Gudekar Membership No: ACS:19937	1. M/s C N K & Associates, LLP 2. M/s Shah & Taparia 3. M/s GMJ & Co.

REGISTERED OFFICE

PRAKASHGAD, PLOT NO. G-9, PROF. A.K. MARG, BANDRA (EAST), MUMBAI - 400 051
Website : www.mahadiscom.in | (CIN No. : U40109MH2005SGC153645)

DIRECTORS' REPORT

To
The Members,

Your Directors present the Annual Report on the performance of your Company for the Financial Year ended 31st March, 2021 along with Audited Statements of Accounts.

❖ MSEDCL PROFILE:

Your Company, Maharashtra State Electricity Distribution Company Limited (MSEDCL) incorporated on 6th June 2005 is the largest distribution company in Asia and is supplying power to more than 2.5 Cr. consumers.

The maximum demand catered by your company in FY 2020-21 is 21604 MW on 21 January, 2021 which is highest in the history of company. The total sale of your company in FY 2020-21 was 1,05,199 MUs which was met by purchasing 1,32,414 MUs of energy from thermal, hydel & renewable generators and supplied with distribution losses of 15.29% achieved by your company.

In FY 2020-21, your company has achieved Collection Efficiency of RCI consumers at 100.71% and AT&C losses is 20.23% which is comparable to the top performing utilities in India. Distribution Transformer failure rate of your company dropped to 7.3% from 7.5%.

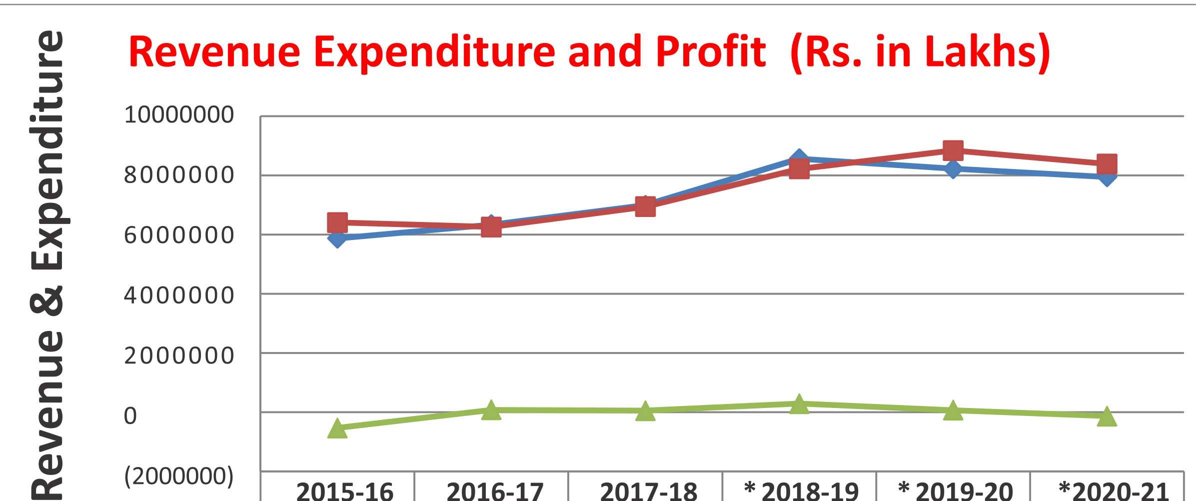
❖ Financial Highlights:

The total income of the company for the year under review decreased from ₹. 82,20,326 lakhs to ₹. 79,47,495 lakhs. Due to outbreak of corona virus pandemic situation, the lockdown was imposed in the state and all the industries and commercial establishments were closed. The demand for power was drastically reduced which had an adverse impact on revenue and collection of the company, particularly in the first half of the year. The company had to borrow additional working capital loan to tide over the liquidity crunch. The burden of interest and DPC is increased and eventually, the company has incurred loss of ₹. 1,31,616 lakhs for the financial year 2020-21. The Gross fixed assets of the company grew from ₹. 76,93,961 lakhs in 2019-20 to ₹. 81,45,205 lakhs during the year under review.

(₹. In Lakhs)

Particulars	Financial Year	
	2020-21	2019-20
Revenue from Operations	73,71,183.42	73,76,144.40
*Other Income	5,76,311.84	8,44,181.56
Profit/ (loss) before Depreciation and Finance Cost	7,68,430.76	8,39,183.90
Depreciation	3,39,454.07	3,06,907.32
Finance Cost	5,72,210.79	4,50,641.80
Profit/Loss before Tax	(1,43,234.10)	81,634.78
Less : 1) Provision for Taxation	(11,074.30)	13,180.42
2) Deferred Tax Adjustment	-	-
3) Other Comprehensive Income	543.35	(12,112.91)
4) Tax Relating to Other Comprehensive Income	-	2,106.12
Profit/(Loss) After Tax	(1,31,616.45)	58,447.57

*includes withdrawal of excess provision for DPS of ₹. 2,07,606.10 lakhs



	2015-16	2016-17	2017-18	* 2018-19	* 2019-20	*2020-21
Total Revenue	58,71,817	63,33,149	69,90,478	85,59,560	82,20,326	79,47,495
Total Expenses	64,05,371	62,54,620	69,41,254	82,17,416	88,39,766	83,81,648
Surplus/(Deficit)	(5,29,319)	78,529	49,224	2,88,627	68,454	(1,32,160)

*Figures of F.Y 18-19 and F.Y 19-20 are restated in F.Y 2020-21

❖ OPERATIONAL PERFORMANCE:

The distribution business is regulated and is expected to be revenue neutral under the normal circumstances under the provisions of Electricity Act 2003. However, our company reported a revenue gap amounting to ₹. 60,313 Crores which includes financial impact from FY17-18 to FY24-25. Our State Regulator i.e. Maharashtra Electricity Regulatory Commission (MERC) follows the Multi-Year Tariff (MYT) regime through MYT Regulations 2019, which obligates a distribution licensee to file a Multi- Year Tariff petition for every control period.

As per MYT Regulation 2019 provisions, your company filed a Multi-Year Tariff (MYT) petition on 26th November, 2019 with a proposal for revision in tariff and to recover the revenue gap including truing up of the accounts of the year FY 2017-18 & FY 2018-19, provisional truing up of FY 2019-20 and revised estimates of ARR and Tariff for 4th Control Period from FY 2020-21 & FY 2024-25.

The aforementioned gap has arisen mainly due to revenue deficit of previous years because of change in consumer-mix and difference in estimated & actual sales of subsidizing as well as subsidized categories in FY 2017-18 & FY 2018-19 and estimates for 4th Control Period from FY 2020-21 & FY 2024-25.

The MERC issued MYT Order on 30th March, 2020 on the said MYT petition filed by MSEDCL. In the said Order, MERC has approved surplus revenue of ₹. 22,242 Crores considering additional revenue from expected FAC for FY 2020-21 & FY 2024-25. One of the reason for lower revenue gap is disallowance of AG sales. MERC approved an overall tariff reduction of 7% for FY 2021 and almost flat tariff for most of the categories or a further reduced tariff for Industry for remaining four years of Multi Year Control Period i.e. up to FY 2024-25. The revised tariffs are effective from 1st April 2020.

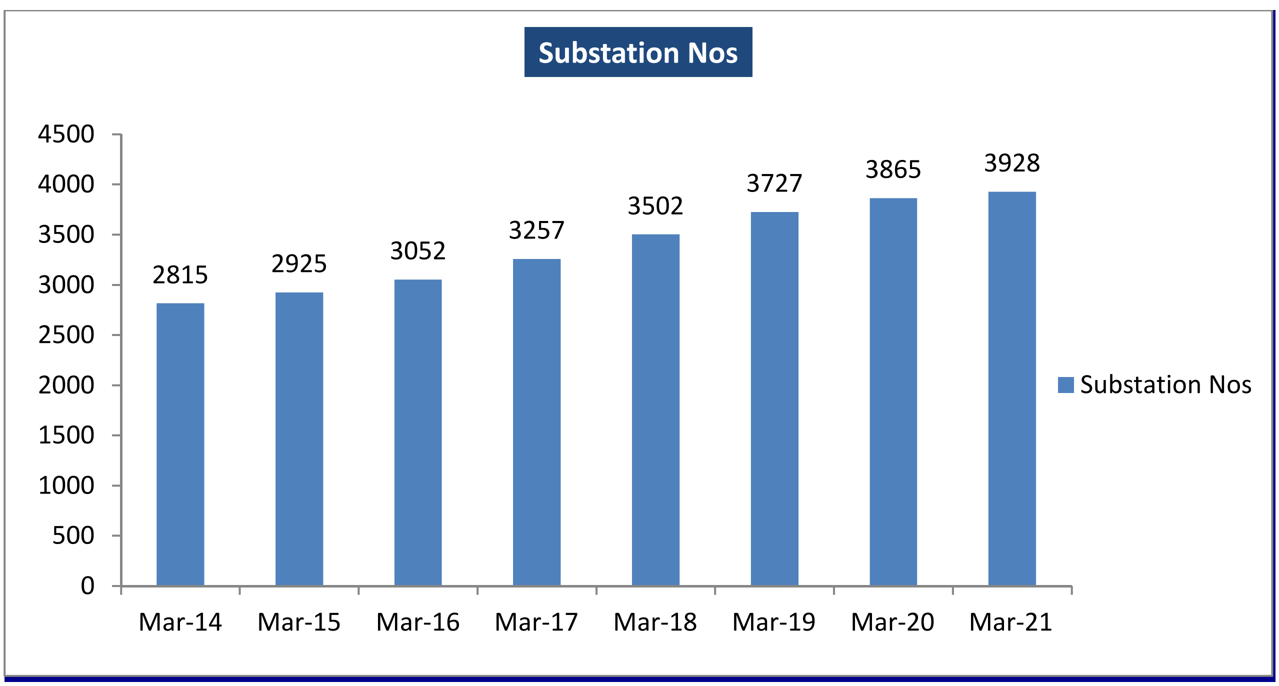
This increase in sales is catered by your company by addition of network in distribution system. As on 31st March 2021, the Substations reached to 3,928 nos., Power Transformers and Distribution.

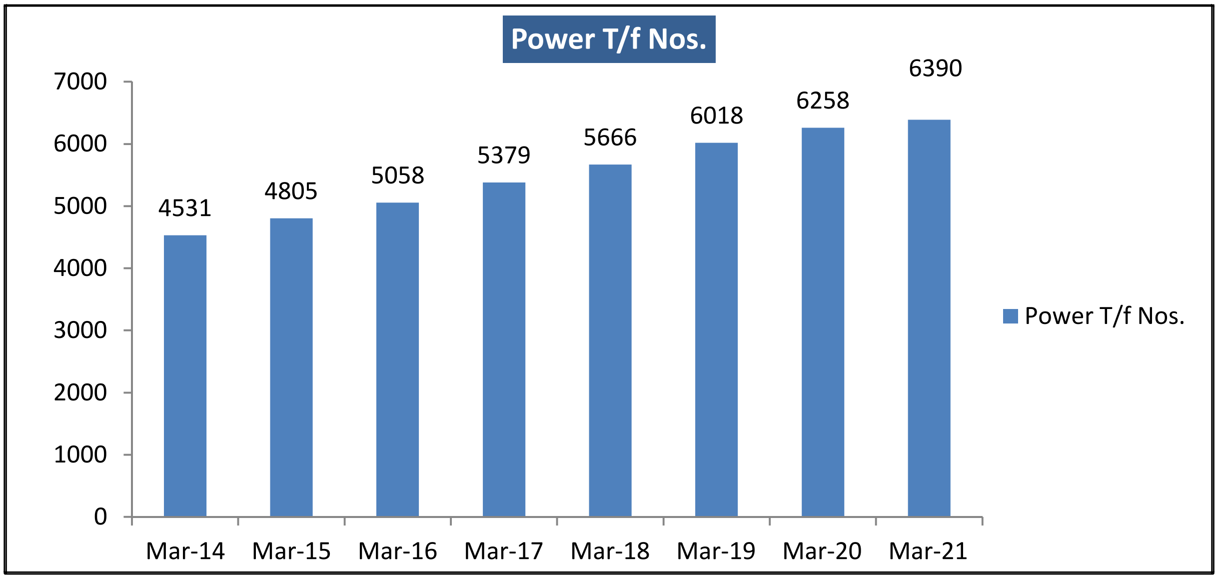
Transformers are increased to 6,390 nos. and 7,45,858 nos. respectively and the length of LT and HT lines increased to 6,92,203 Km and 4,15.071 Km respectively. The HT-LT ratio for FY 2019-20 is 1:1.67.

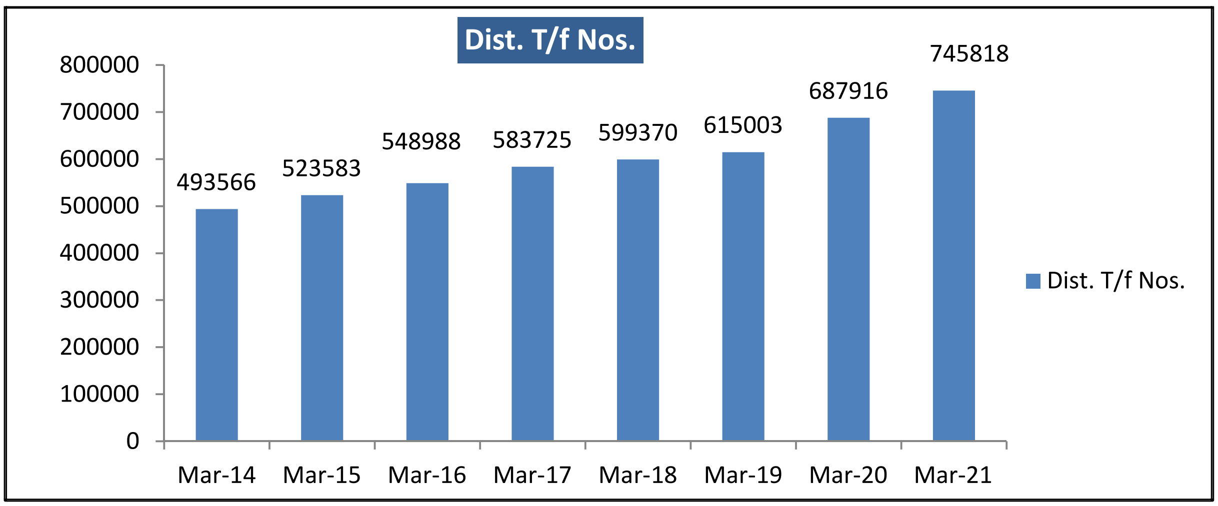
MSEDCL Infrastructure development summarized as below:

Sr. No.	Particulars	Specs	Unit	As On 31.03.2020	During Year (2020-21)	As On 31.03.2021
1	HT LINES	33KV	Km	48298	822	49120
		22KV	Km	34889	948	35837
		11KV	Km	316833	13281	330114
2	HT LINES	Total	Km	400020	15051	415071
3	LT LINES	-	Km	687153	4870	692023
4	SUB-STATIONS	Nos.	Nos.	3865	63	3928
5	DISTRIBUTION TRANSFORMERS	Total	Nos.	687916	57902	745818
		Total Capacity	Capacity (MVA)	63463	2755	66218
6	POWER TRANSFORMERS	Total	Nos.	6258	132	6390
		Total Capacity	Capacity (MVA)	36163	880	37043

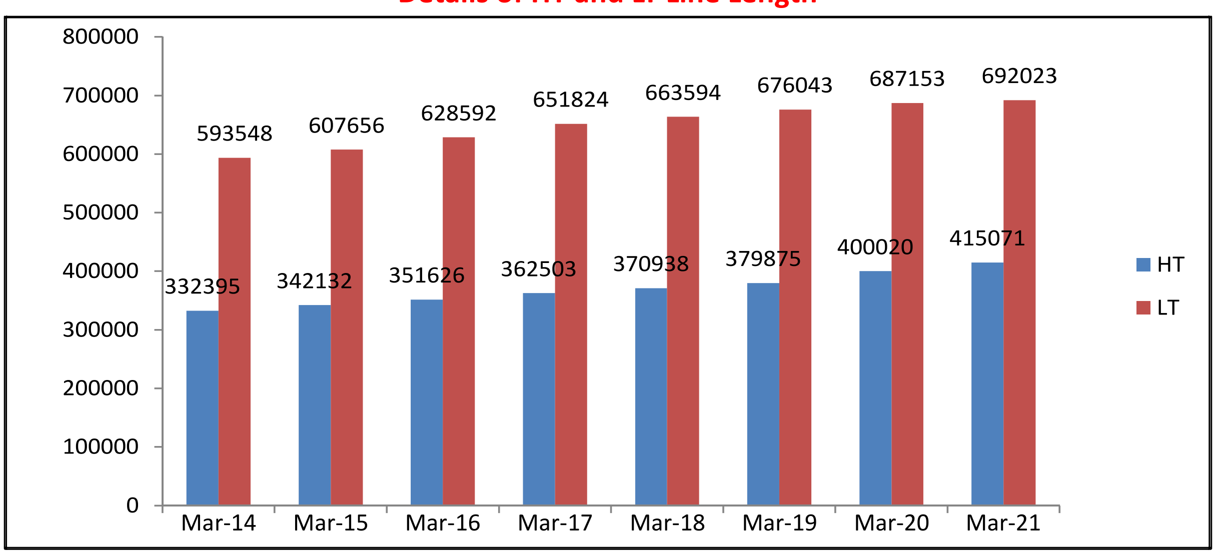
MSEDCL infrastructure is growing continuously, which we can understand graphically. It shows year wise growth of MSEDCL infrastructure in last 8 Years. There is continuous growth of distribution network of MSEDCL, which is graphically shown below:





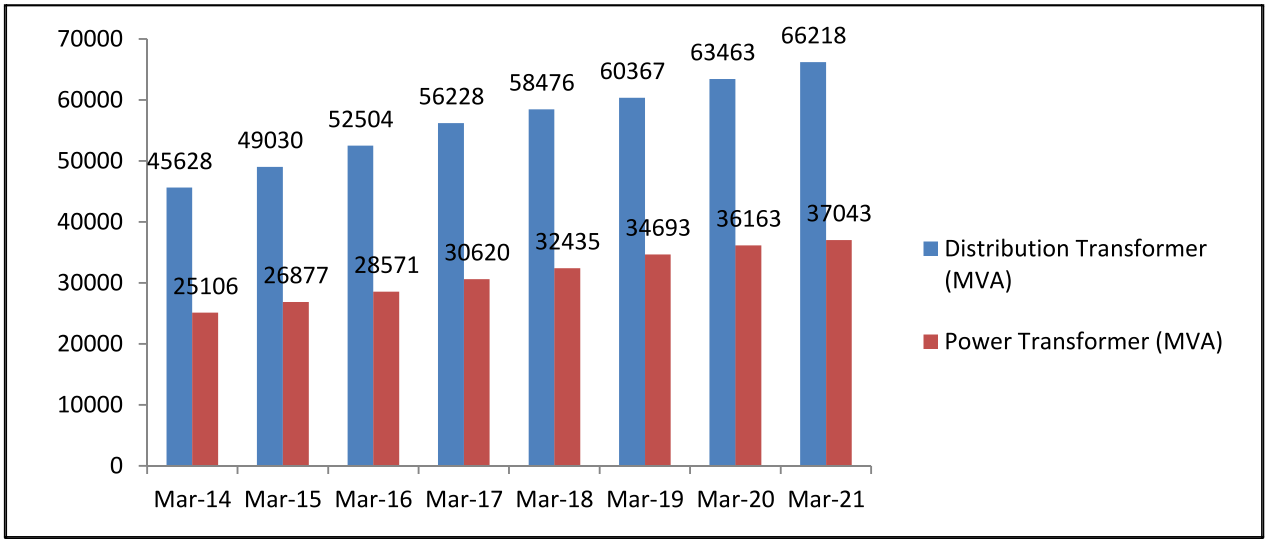


Details of HT and LT Line Length



The Distribution and Power Transformer capacity of MSEDCL as on 31st March 2021 is 66,218 MVA and 37,043 MVA respectively which has a continuously increasing trend.

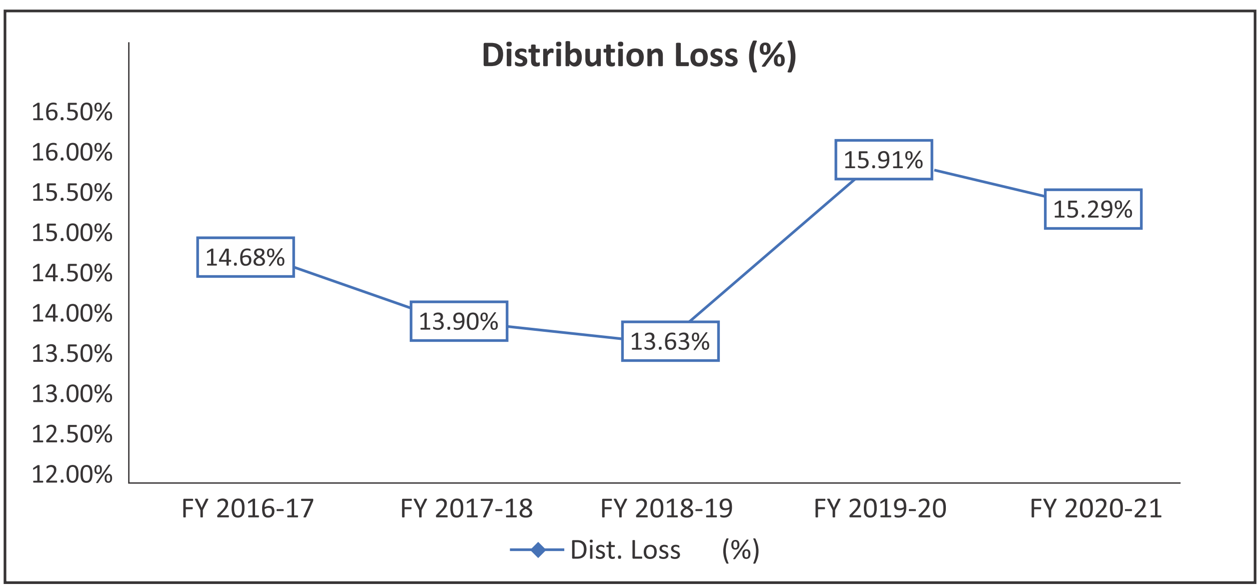
TRANSFORMER CAPACITY



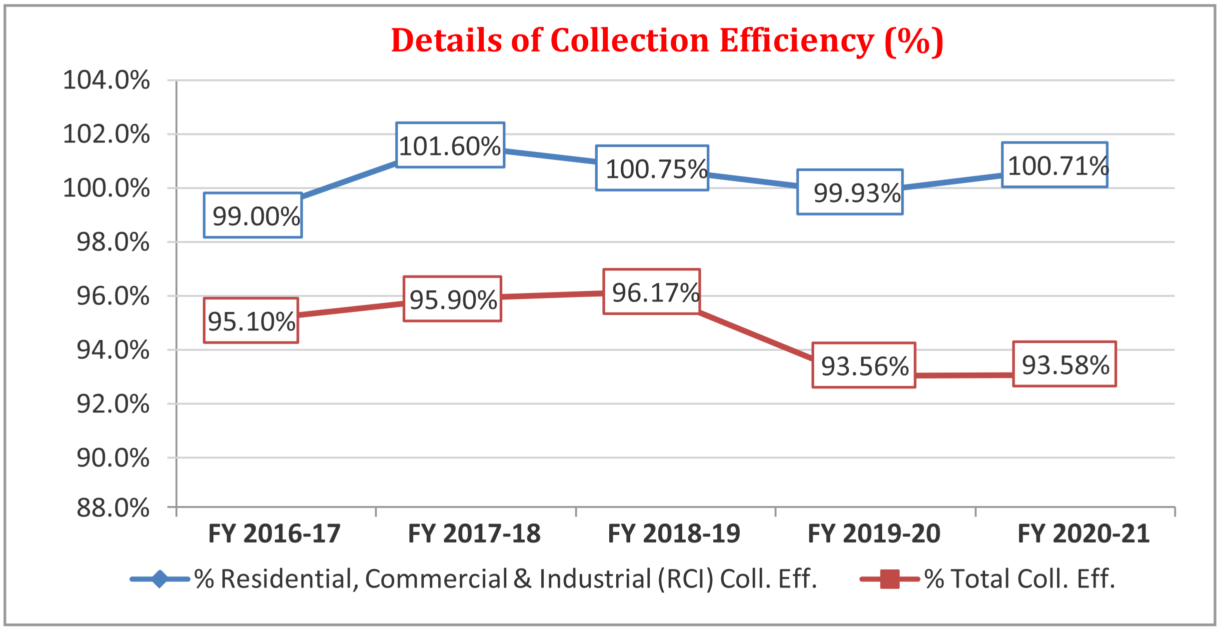
Your company has undertaken several steps to reduce distribution losses but the losses increased to 15.29% in FY 2020-21. The reasons for higher Distribution loss for FY 2020-21 are:

Due to COVID 19 & lockdown high Tension consumer category sale is dropped by 2553MUs (6.3%) compared to last year which affects total distribution Loss as High Tension consumer category consumption is low loss-making.

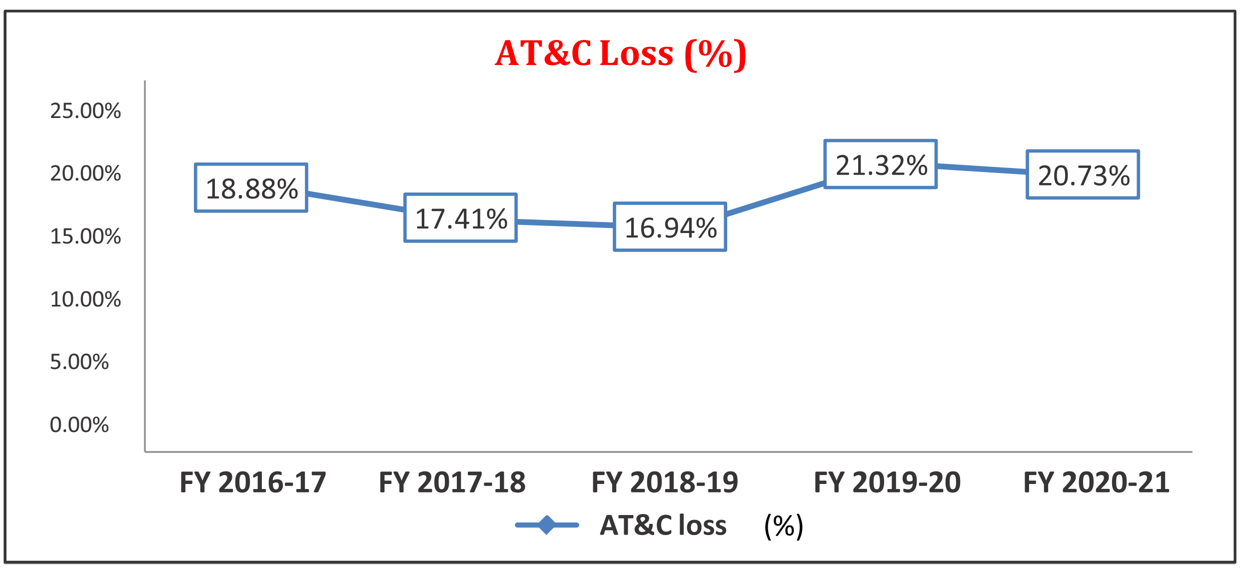
The Distribution loss for Last five years is as below:



The Collection Efficiency of Residential, Commercial and Industrial consumer of your company is 100.7% in FY 2020-21. Similarly, total Collection Efficiency for FY 2020-21 is 93.58%:



Further, the AT&C Losses of your company in FY 2020-21 is 20.73% which has decreased by 0.59% as compared to previous year.



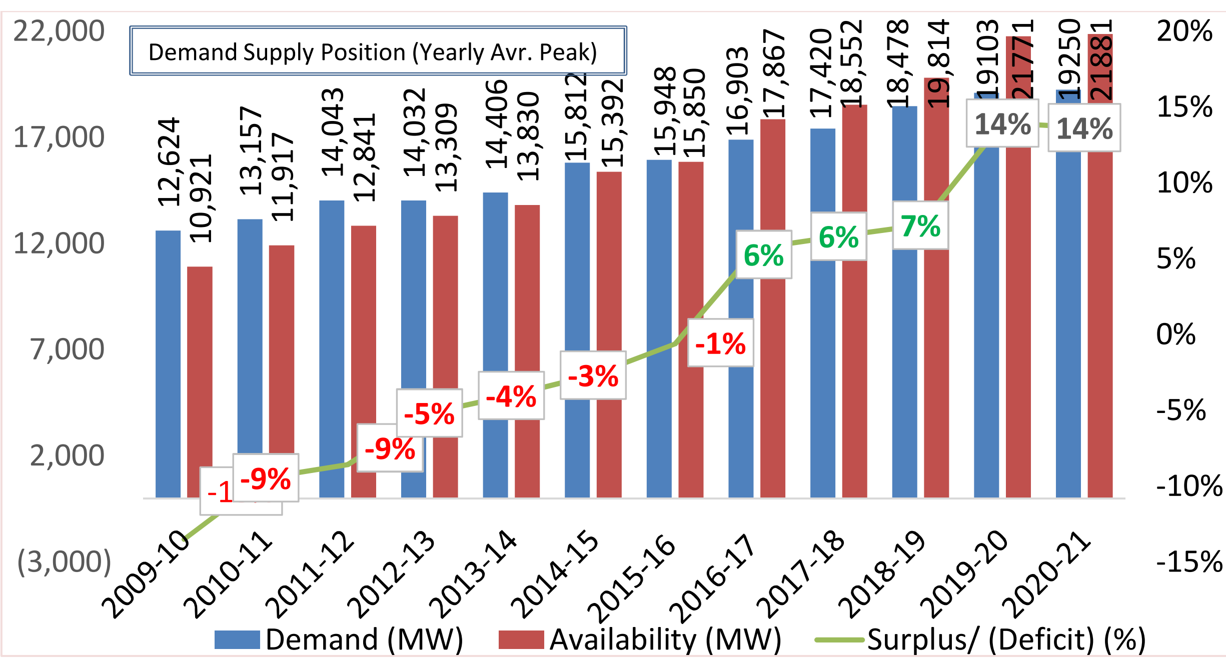
Total arrears of your company as on 31st March 2021 were ₹. 60823 Cr. This is around ₹. 990 Crores more compared to previous year. This is mainly due to Lockdown & poor collection from Residential & Agriculture consumers. Further, Agriculture Arrears of ₹. 10,420 Crs. have been written off under AG Policy 2020. Region-wise arrears (Live + PD) are as below:

Region Wise Arrears (₹. Cr.)	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Aurangabad	13950	16808	19933	17555	16368
Kokan	9558	10969	13219	21446	21699
Nagpur	4785	5847	7119	8592	9172
Pune	5156	6733	9126	12239	13584
Total	**33449**	**40357**	**49397**	**59833**	**60823**

With proper planning of power purchase and optimum utilization of available generation capacity, your company is able to meet power demand without any curtailment of supply to consumer. The power supply position of your company has improved considerably from deficit to surplus position over last five years.

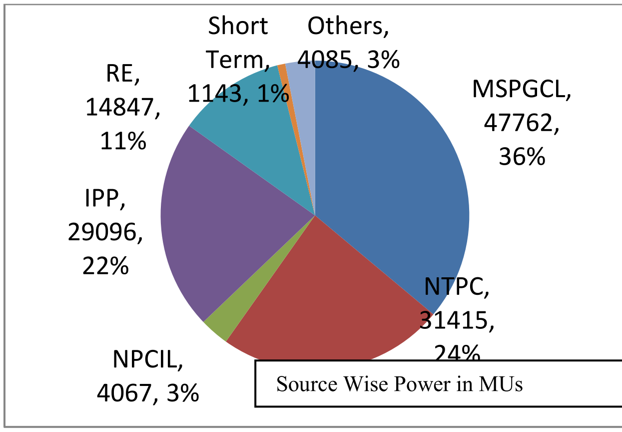
❖ POWER MANAGEMENT:

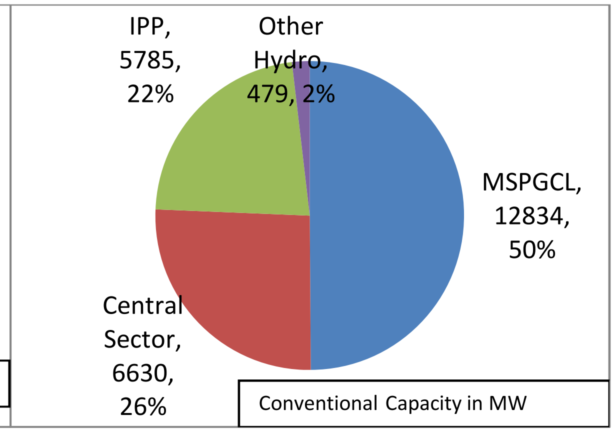
With proper planning of power purchase and optimum utilization of available generation capacity, your company is able to meet power demand without any curtailment of supply to consumer. The power supply position of your company has improved considerably from deficit to surplus position over last five years.



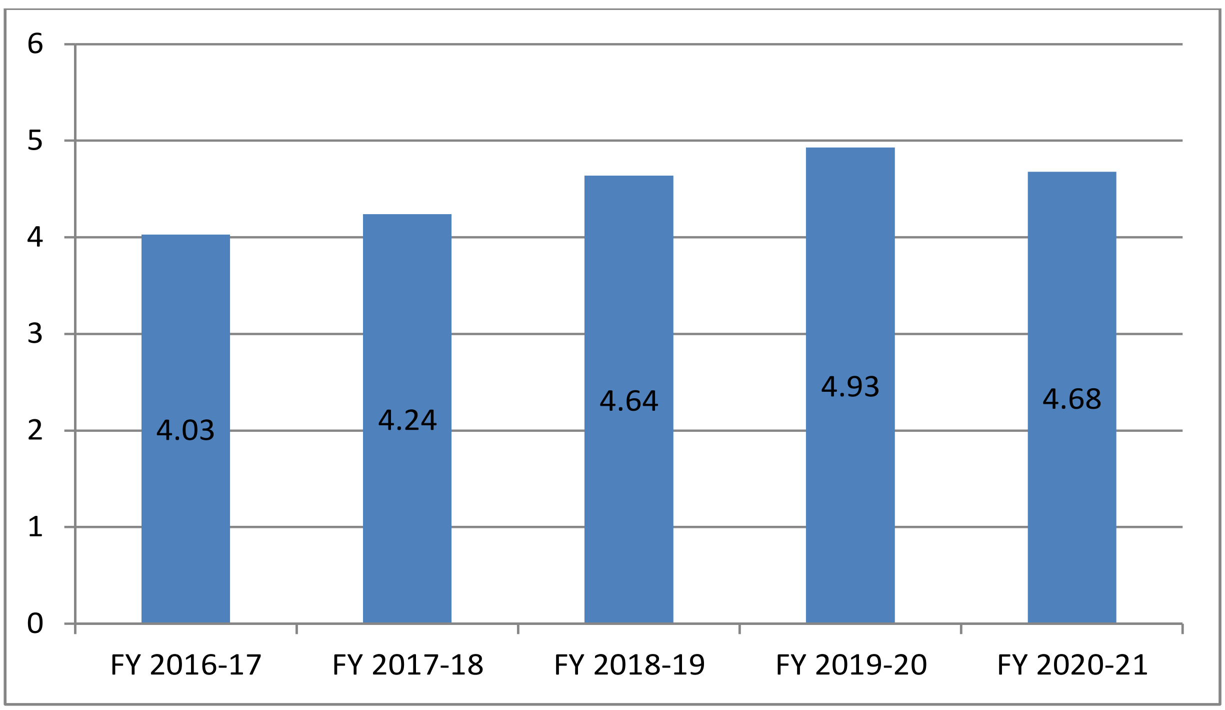
We are happy to report that your company has successfully catered 21,604 MW demand on 23.01.2021 in FY 2020-21 which is highest in the history of your company. To cater Power Energy required, your company has procured 1,32,414 MUs of energy from different sources. Your Company has added 404 MW Conventional Energy Capacity in FY 2020-21.

The Sector wise Power Purchase from contracted capacity is as below :





Inspite of such huge quantum of energy purchase in FY 2020-21, your company was able to keep the Average Power Purchase (APP) cost including transmission charges to ₹. 4.68/kWh as compared to approved rate of ₹. 4.65/kWh by MERC. The average power purchase cost including transmission charges in last Five years is as below:



In FY 2020-21, the main reason for increase in power purchase cost is mainly due to impact of change in law, such as payments to generators towards compensation in domestic coal shortfall, revised CERC Escalation Index and increase in power purchase cost of Renewable Generation & increase in inter-state transmission charges. All these factors have led to increase in power purchase cost of your company.

Your Company was able to meet power demand without any curtailment of supply to consumer and catered its ever highest peak demand of 21604 MW.

In this year also your company continued to implement very stringent methodology of power procurement to reduce the power purchase cost by maximum utilization of low cost contracted power, procuring cheap power from market and shutting down high cost contracted generating stations etc.

In FY 2020-21 your company purchased 3997.40 MUs (at state periphery) of short term power through energy exchanges worth ₹. 1175.76 Crs. at average rate of ₹. 2.94 per unit (landed rate at state periphery). Due to sufficient generation availability from contracted generators, MSEDCL had not floated short term tenders during the FY 2020-21.

Your company has the surplus power available mostly during monsoon seasons or due to drop in demand. The surplus power is handled either by giving the zero schedule to the high cost generating units as per MOD stack or by backing down and selling through the exchanges/ bilateral. Further, during the winter season, day period demand is more than the night period demand due to the agricultural load. Thus, there is utilization of maximum available power during day hours, whereas during the night there is drastic decrease in demand due to winter which causes the back down of generation. As generation cannot be reduced below the technical minimum, the surplus power (after backing down) needs to be taken out in order to maintain the stability of the system. Your company has explored all available avenues to sell the available surplus power through the exchanges/ bilateral/ banking arrangement. To sell the surplus power, your company has also participated in the short term tenders for bilateral transactions through e-bidding portal of Ministry of Power, GoI. Your company has also executed banking arrangements with Punjab State Power Corporation Ltd.

In the FY 2020-21, your company has sold 62.64 MUs to Maharashtra Airport Development Corporation (MADC) through participation in tenders and earned revenue of ₹. 30.91 Crs. at an average rate of ₹. 4.894 per unit.

Your company has been selling its surplus power through Energy Exchanges as and when available and sold 223.46 MUs on Energy Exchanges, earning revenue of ₹. 86.51 Cr. at a rate of ₹. 3.89/kwh in the FY 2020-21.

In the FY 2020-21, your company by exercising the option of Banking of Power with the other utilities and has exported 289.22 MUs during the low demand months which was banked during peak demand months in FY 2019-20.

❖ Renewable Energy

In order to meet the regulatory requirements, your company is required to purchase Renewable Energy under Renewable Purchase Obligation (RPO). As per MERC regulations, your company is bound to purchase 16.00% of its total power purchase for FY 2020-21 from renewable energy sources which includes 4.50 % of Solar and 11.50% of Non-Solar Energy. Accordingly, total RPO obligation in MU term was 5555 MUs of solar power and 14196 MUs of non-solar power. Against this target, your company procured 5673 MUs of solar power (4.60%) and 14196 MUs of non-solar power (8.72%). Thus, there was a shortfall of 3427 MUs of non-solar renewable energy which will be met out by procuring non-solar Renewable energy Certificates (RECs) or purchase renewable energy through already contracted non-solar projects to be commissioned during FY 2021-22 to fulfill target in next Financial Year. It is also reported that the Average Non-Solar Power Purchase Cost was ₹. 5.40/kWh and Average Solar Power Purchase Cost was ₹. 4.20/kWh. Evidently average power purchase cost of Renewable Energy has been high, because of proactive promotion of bagasse and wind based generation in the state of Maharashtra. Your company has developed non-conventional energy to a large extent, making Maharashtra one of the leader in wind and bagasse based renewable energy thereby meeting the social objective of the Government of Maharashtra.

The details of source wise Contracted Commissioned Renewable Energy Capacity in FY 2020-21 is as follows:-

Sr. No.	Source	Commissioned Capacity (MW)		
		Capacity as on 31.03.2020	Capacity Addition in FY 2020-21	Capacity as on 31.03.2021
1	Wind	3,095	-207*	2888
2	Co-Gen	2,301	38	2339
3	Biomass	174	-16*	158
4	Small Hydro	125.68	0**	311
5	Solar	2271.96	163	2435
6	MSW	4	0	4
	Total	**7,972**	**163**	**8135**

* reduction in the capacities are due to expiry of EPAs

** The MSPGCL's SHP of 185 MW is now considered to RE capacity, earlier this was considered to by PPA section.

Your company has taken the advantage of competitive bidding. After taking due approvals from the Govt. of Maharashtra & MERC and in line with the Ministry of Power's (MoP) guidelines for long term procurement of power through Tariff based Competitive Bidding from grid-connected Wind, solar and Bagasse Power Projects. Accordingly, tenders under competitive bidding were floated for capacity 1200 MW, 5200 MW, 241 MW of wind, solar and bagasse based co-generation respectively. The capacity (Contracted and under process of contracting) under these tenders is 7 MW, 1138 MW & 31 MW respectively totaling 1176 MW.

In order to facilitate centralized payment mechanism for purchase of Renewable Energy (RE), your company has developed (Non-conventional Energy) NCE module (SAP). This module has been enhanced further to facilitate RE online billing. In the FY 2020-21, your company has successfully implemented RE online billing/payment mechanism through NCE module for all RE generators.

❖ BORROWINGS:

MSEDCL is the largest Distribution Company in India servicing consumer base 2.85 Crs. spread across 3.08 lakhs sq.km. In order to provide sustainable supply of electricity across this varied consumer base, MSEDCL has to invest into up-gradation of its infrastructure on continues basis.

a. Long Term Borrowing :

For continuous system improvement and strengthening of electricity distribution network, MSEDCL has implemented various capital expenditure schemes such as Infrastructure plan, Feeder Separation Schemes, RAPDRP, HVDS etc. The Debt portion of capital expenditure schemes is through availing Long-term Loans mainly from Rural Electrification Corporation (REC) and Power Finance Corporation (PFC). Some schemes are also eligible for Grants from GOM/GOI.

b. Short / Medium Term Borrowings for Working Capital:

For meeting its working capital requirements, MSEDCL has tied up with Commercial banks for working capital limits to the tune of ₹. 4,000 Crs. (Fund Base Limit). In addition to, the company is required to borrow from Banks /FIs through Short/ Medium Term Loan to fill the cash Gap on account of delay/inadequacy of tariff approval by MERC and non-recovery from categories such as Agriculture, Public Water Works, Street Light, and Govt. Departments. This reflects MSEDCL's inability to convert revenue booked into Cash inflow of the company leads to availment of Short / Medium Term loan for making up the shortfall in cash collection.

❖ Impact of pandemic of Covid -19 :

Company's sales during FY 2020-21 has hampered due to reduction in the sales of the high revenue yielding categories such as Industrial and Commercial, primarily due to reduction in consumption of electricity form Industrial and Commercial consumers due to lockdown imposed. Further, Company had also offered moratorium on the payment of fixed charges by industrial and commercial consumers during lockdown and installments / extensions allowed to consumers for paying their Energy Bills. These extensions and installments facilities provided in the lockdown period have provided relief to the consumers while paying energy bills. Hence, MSEDCL has forced to raise working capital loan in order to mitigate shortfall for smooth functioning. As a result Company's borrowings for the Working Capital have risen to the tune of ₹. 27,800 Crs. as on 31st March 2021.

The details of Borrowing Position are as below:

(₹. in Crores)

Financial Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
O/s Balance of Long term Loan (Project)	8233	11496	13817	13171	12666	13357	13695	14970	14212	16719	15171
Interest on Long Term Loan (Project)	695	1073	1450	1603	1527	1540	1542	1478	1523	1599	1573
O/s Balance of Working Capital Borrowings (LTL+STL+ MTL+ WCDL)	3100	3250	2313	4617	4429	7806	9646	11320	6669	21441	22830
Loan against Regulatory Asset	-	-	-	-	-	-	-	-	12382	-	-
Interest on Loan against Regulatory Asset	-	-	-	-	-	-	-	-	618	-	-
Interest on Working Capital Borrowings (LTL+STL+ MTL+ WCDL)	199	339	301	380	471	695	771	894	598	1682	1983
Bill Discounting	-	-	-	-	-	-	-	-	-	-	4970
Interest on Bill Discounting	-	-	-	-	-	-	-	-	-	-	413

❖ FINANCIAL PRUDENCE

A) Efforts taken for Reduction in Interest Cost:

It is pertinent to mention that, any expenditure incurred over and above ₹. 135 Crs in current financial year on account of interest on working capital will not be considered in process of deriving tariff. Therefore, any additional expenditure incurred on this front will have adverse impact on the profitability of the company. Further, even though same on project loan is considered in tariff, zeal to provide electricity to consumer at the lowest rate drives to endeavor for reduction in interest cost. This led to continuous efforts for minimizing the overall cost of financing by reducing rate of Interest on borrowing and by reducing any borrowing related ancillary costs.

As a part of economy of expenditure, company has tried to bring down the borrowing cost with the extra ordinary efforts by negotiating with banks and convincing them to pass on the benefit of interest rate reduction at par with market trend.

Over the period, efforts have been made to reduce the interest cost on working capital requirement by creating alternative to REC/PFC Ltd (high cost borrowing), negotiating with Nationalized banks (who offers lower rate of Interest) for reduced rate of interest and reduction in ancillary cost of borrowing.

Further, it is pertinent to mention that during the pandemic of COVID-19 company's monthly collection from sale of electricity was at record low of around ₹. 2,000 Crs in the month of April & May 2020. Company has successfully absorbed the pain during pandemic of COVID-19 mainly due to financial arrangements tied up during the period.

Following are the measures taken to ensure that interest cost of the company will be maintained at minimum level even after heavy borrowing of the company.

1. **Reducing company's Cost of Borrowing by not availing loans under Liquidity Infusion Scheme. :** To fight with pandemic of Covid-19, central government of India had announced package namely "Liquidity Infusion Scheme" in the month of May 2020. Under this scheme, REC & PFC had sanctioned Long Term Loan of ₹. 9,310 Crs to MSEDCL at the rate of 9.50% per annum. Due to higher rate of interest offered by REC/PFC under this scheme, company arranged the financial assistance from Nationalized banks and made saving of ₹. 1,300 Crs. approx.

2. Further, it is also relevant to mention that, timely intervention from Hon. Principal Secretary and Hon. Chairman & Managing Director has led to successful receipt of guarantee from Government of Maharashtra, which played vital role in obtaining timely financial assistance from Nationalized Banks at competitive rate and due to this company has managed to save approximate ₹. 200 Crs in interest cost.

3. **Reduction in ancillary costs of borrowing:**

   It is also relevant to note that, certain ancillary costs are associated with raising loans. Negotiation with financial lenders has yielded into reduction in such ancillary costs. Company's continuous endeavor to reduce ancillary cost has resulted into savings of approximate ₹. 18 Crs. in past few years.

4. **Borrowing from Nationalized Banks instead of REC ltd for HVDS scheme. :**

   MSEDCL is implementing the "High Voltage Distribution System" (HVDS) scheme, wherein as per policy of Govt. of Maharashtra, has accorded approval for implementation of the HVDS scheme in the State of Maharashtra for the Agricultural consumers. Government of Maharashtra had directed MSEDCL to raise ₹. 2,800 Crs from borrowing. Further, REC ltd had sanctioned the same @ 9.65% for HVDS, but instead availing from REC Ltd., MSEDCL has taken vigorous efforts for availment from the Nationalized Banks at lower rate of interest . It has resulted into saving of ₹. 461 Crs. over the loan tenure.

5. **Switch over REC interest rate reset from 3/10 year to 1 year. :**

   In a continuous endeavor to reduce the rate of interest, MSEDCL anticipated & grasp an opportunity in REC‟s letter dated 31.05.2021 for scheme providing option to switchover reset from existing 3/10 year reset to 1 year reset for existing loans.

REC provided the revised interest rates for schemes if MSEDCL switch over from existing 3/10 year reset option to 1 year reset. Accordingly, saving of ₹. 84.89 Crs achieved by MSEDCL by adopting switchover.

6. Obtaining reduced interest rates from REC & PFC :

MSEDCL's continuous endeavor and follow-up with REC yielded results, REC and PFC has reduced the card lending rates w.e.f. 1st April 2021. These reduced interest rates are applicable for only future disbursement and interest reset. Saving of ₹. 26.19 Crs. has achieved over the tenure of loan.

Timely availability of funds is vital for the smooth functioning of the company and also plays key role in company's mission of delivering reliable and quality service at competitive price. Company explores all the avenues to the possible to reduce the interest cost of the company. Below table summarizes results of initiatives taken by the company post pandemic period.

Sr. No.	Particulars	Amount (₹. in Crs)
1	Reduction in company's cost of Borrowing by not availing loans under Liquidity Infusion Scheme	1,300.00
2	Reduction in ancillary costs of borrowing	18.00
3	Borrowing from Nationalized Banks instead of REC ltd for HVDS scheme.	461.00
4	Switch over REC interest rate reset from 3/10 year to 1 year.	84.89
5	Obtaining reduced interest rates from REC & PFC.	26.19
	Total	**1,890.08**

From above it can be seen that, continuous relentless efforts by the company has not only resulted into timely availability of funds for the company for fulfilling its Project & Working Capital requirement but also company has successfully managed to save ₹. 1,890 Crs over the tenure of loans availed.

B) <u>Incentive Earned on REC repayment loan:</u>

Ministry of Power (MOP), Government of India has introduced the concept of National Electricity Fund (NEF) Interest Subsidy scheme to provide interest on loans disbursed to State Power Distribution Utilities, in order to improve the infrastructure in Distribution Sector. The projects sanctioned by Rural Electrification Corporation (REC) during the FY 2012-13 and FY

2013-14 are eligible for NEF schemes.

Based on the parameters mentioned in the scheme, MSEDCL has been successful in earning following interest subsidy in accordance with NEF Guidelines.

(Amt in Crs)

Sr. No.	Financial Year	Loan Released During the Year	Cumulative Loan Amount	Interest paid during the Year	Interest Subsidy Approved
1	2013-14	572.72	572.72	42.84	Nil
2	2014-15	445.14	1017.86	90.54	29.35
3	2015-16	1426.52	2444.38	193.19	64.52
4	2016-17	1481.94	3926.32	360.24	94.97
5	2017-18	1859.89	5786.21	500.58	230.59
6	2018-19	279.81	6066.02	583.90	283.51
7	2019-20	401.60	6467.62	566.18	Claim Submitted
8	2020-21	98.13	6565.75	509.18	Claim Submitted

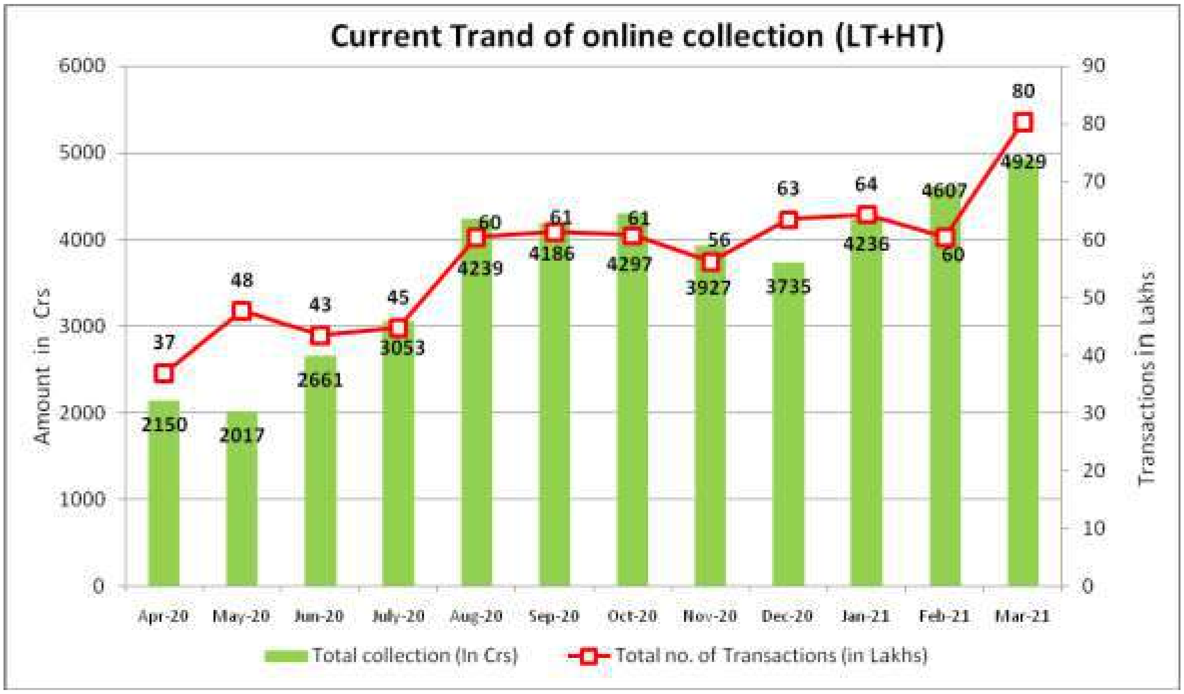
C) Ujwal Discom Assurance Yojana (UDAY):

For the purpose of financial turnaround of the Power Distribution Companies, the Government of India has launched UDAY (Ujwal Discom Assurance Yojana) on 20th November, 2015. MSEDCL has participated in the UDAY scheme and signed the MOU with the Government of Maharashtra in the month of October 2016.

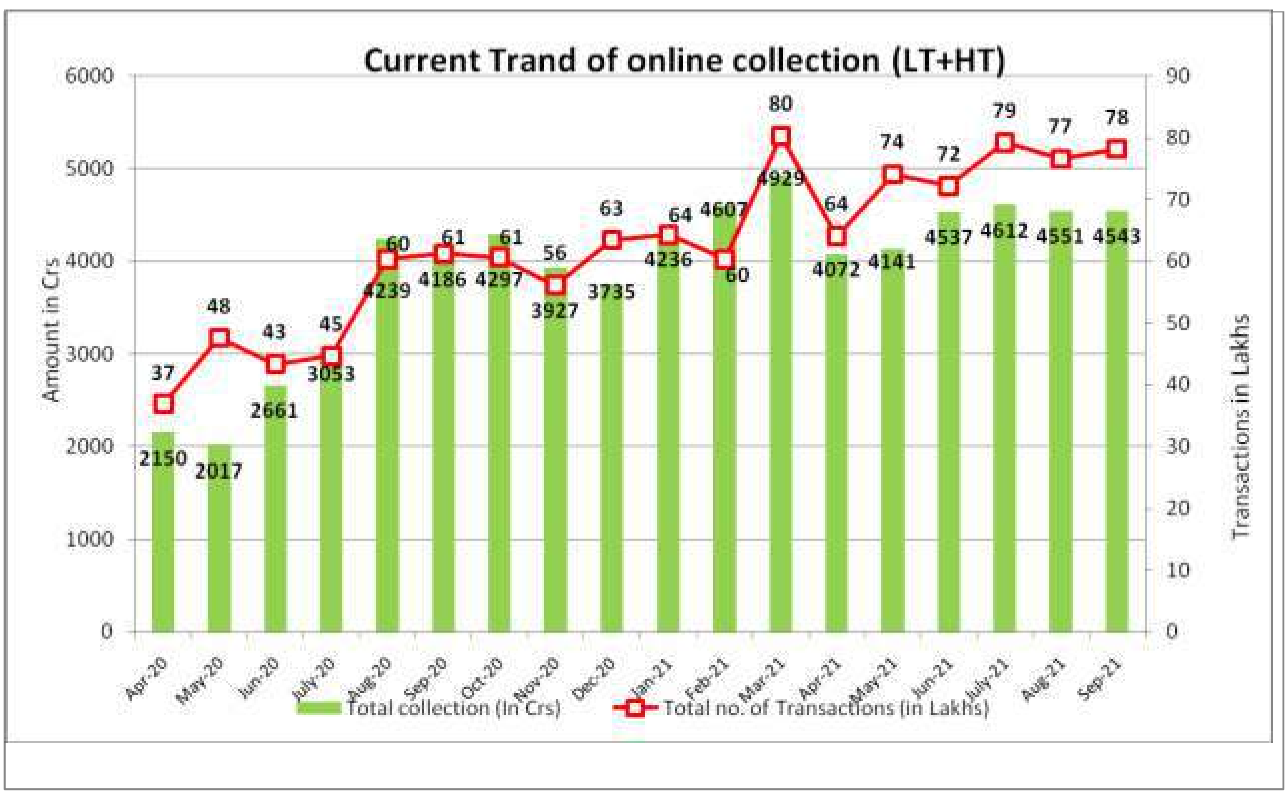
As per the MOU the government of Maharashtra has taken over the 75% of the medium and short term loan of ₹.6,613 Crores outstanding as on 30.09.2015. The amount of ₹. 4,959.75 Crores (75% of ₹. 6,613 Crores) is released to MSEDCL in the month of February 2017. The loan amount has been converted into grant in 5 equal yearly installments of ₹. 992 Crores up till F.Y.2020-21. Interest has paid to the government of Maharashtra by MSEDCL on the outstanding amount every year at an average rate of 7.36%.

Digital initiatives for payment of Electricity bills:

MSEDCL has activated various modes of online payments like Internet Banking, Debit Cards, Credit Cards, Cash Card, M-wallet, UPI, Electronic Bill Presentment & payment (EBPP) and National Automated Clearing House (MACH), BHIM QR Code. Payment modes of RTGS / NEFT are enabled for HT and LT consumers. Mobile app. for ease of online payment to consumers in started since 2016. MSEDCL has also participated in Bharat Bill Payment System (BBPS) which enabled extensive reach through single online platform. Consumers having multiple connections across Maharashtra are provided with Group Bill Payment facility through Online Payment mode. As an incentive for online payment, MSEDCL has implemented the policy of absorbing charges for all type of online payment modes except credit cards. The above measures have resulted in increasing the online payment transactions from 15.68 lakhs (FY 2015-16) to 63.00 Lakhs in FY 2019-20 and to 68.40 Lakhs in FY 2020-21.



To cater the rural area consumers with energy bill payment facility in consumer's vicinity , MSEDCL has introduced new advance payment based fully automated collection channel "MAHAPOWERPAY". The agent can operate with minimum investment and at any area. Currently till Sep 2021 - 10600 outlets of MAHAPOWERPAY are working with average monthly collection of ₹. 83.00 Crs. with 7.65 lakhs transactions.



Note: Modes of payment include Credit card, Debit card, Net banking, Wallet, cash cards, EBPP/NACH,NEFT, UPI and excludes franchisee(Cash) transactions.

Centralized Vendor Payment System (CVPS)

Under the legacy system, payments to vendors were made from 257 field offices in a decentralized set up. In line with the policy of Govt. of India and Govt. of Maharashtra to promote digital transactions, it is the constant endeavor of MSEDCL to digitalize all activities and increase online payment transactions through various means. As part of the Digital Initiatives MSEDCL has introduced a system of Centralized payment fully integrated with SAP- ERP whereby payments to vendors, generators and employees across the State are now being done centrally based on liability booked under SAP. This has ensured promptness and transparency in the vendor payment process and has facilitated effective utilization of funds thereby saving in borrowing cost.

1. **Payment to the vendors:-**

A Centralized Vendor payment system has been introduced since 01.03.2018. The liabilities booked in the SAP system by field offices across Maharashtra are paid centrally from Head Office by releasing the payment directly into vendor's bank account through electronic mode of payment (i.e. API) thereby reducing time gap in transferring funds to the circles and division for onward payments to vendors.

Payment details sent through SMS and email to vendors on the registered mobile number and email id. The year wise transactions and payment made to the vendors through Centralized vendor payment system are as under:-

Financial Year	No. of transactions	Amt. in Crs.
2018-19	1,47,619	2,528.21
2019-20	2,11,532	4,908.99
2020-21	1,72,231	4,894.00
Total	**5,31,382**	**12,331.20**

2. **Payment to Generators for Renewable Source:-**

Centralised vendor payment system for non-conventional energy has been introduced since September 2017. The liabilities towards power purchase are booked by the power purchase section in the NCE Module. Accordingly, based on due dates(Other than Wind) & payment priorities (For Wind vendors only), the payment is effected centrally to the generators through API System of Yes Bank Ltd.,till the date of 05.Mar.2020. (Whereas, RBI imposed moratorium on

Yes Bank Ltd.), Afterward the payment is effected centrally to the generators through CMP facility of state bank of India.

It covers various sources of Non-Conventional Energy for centralised payment such as Wind, Cogen, Biomass, Small Hydro, MSW and Solar.

Payment Abstract

Financial Year	No. of transactions	Amt. in Crs.
2018-19	53,133	8,433.12
2019-20	23,080	6,301.74
2020-21	11,154	3,731.78
Total	**87,367**	**18,466.64**

3. **Payment to Employee Claims:-**

In the Earlier years, the lump sum salary was send to respective field offices one day in advance for further disbursement to an individual employee. Now, through a centralised employee payment system, 57000 MSEDCL Employee's salary and other allowances (i.e. Book, orderly, & Entertainment allowances) w.e.f. 01.04.2019 are disbursed through head office directly in an employee's bank account, along with the intimation through SMS. Average monthly 115000 transactions having approx. 210 Crs. amount of salary and allowances disbursed to all MSEDCL employees.

❖ **Information and Technology Initiatives for Consumers**

The initiatives of Mahavitaran in deploying the state of the art services, business processes on digital platform is a continuous journey which keeps on improving its offerings to all the stakeholders including consumers, employees and vendors with focus on bringing in transparency, efficiency and ease of business. The IT initiatives of Mahavitaran during the year 2020-21 are listed below:

IT Initiatives for Consumers

1. **Additional sources for Power failure complaint registration**

➢ **Missed Call service for no power complaint through registered mobile number**

- Consumer will give miss call to telephone number 022-41078500 and power failure complaint will get automatically registered.
- Consumer will receive < Complaint ID> via SMS on his mobile no and intimation will be given

to concern Section Officer and Janmitra via SMS.

- Consumer is intimated by SMS after power failure complaint is resolved and closed by MSEDCL employee.
- Unresolved complaints are escalated to next higher authority as per SoP.

➢ **Power failure complaint registration through SMS**

- Consumer can send SMS on MSEDCL Long Code number 9930399303 i,e NOPOWER<space><Consumer Number> through his mobile number which is not mandatory to be registered.
- After receipt of SMS, consumer will receive < Complaint ID> via SMS on his mobile no and intimation will be given to concern Section Officer and Janmitra via SMS.
- Consumer can get updated status from consumer portal/App or on toll free no. 1912 and SMS after complaint resolution.
- Unresolved complaints are escalated to next higher authority as per SoP.

2. Energy Minister Helpdesk

Maharashtra Energy Minister Dr. Nitin Raut has asked MSEDCL to set up helpdesk to address consumers' grievances regarding high bill complaints.

- Consumer can give Missed call or SMS or Whatsapp message at mobile no 9833567777 / 9833717777 for high bill complaints or mail complaint at energyminister@mahadiscom.in
- On receipt of complaint as above, Helpdesk staff calls the consumer to address their grievance and resolve the issue. If the issue is not resolved telephonically then complaint is register in Consumer Relationship Management (CRM) system.
- The special cell at Corporate office is setup to monitor the complaint resolution process.
- The helpdesk is created at Circle level which again contact the consumer and resolve the issue within 24 hours.
- After resolution of complaint, it is marked as closed in CRM system by respective field/ circle staff with relevant comments.
- Corporate office cell cross check the sample resolved complaints with consumer.
- The summary of complaints received to EM helpdesk, is as follows :

Monthly Summary of complaints received at EM Helpdesk for period 29.06.2020 to 27.09.2021				
Month	**Total Complaints Received**	**Complaint Attended**	**Consumer Satisfied & Closed**	**Consumers pertaining to other Utilities**
Jul-20	22,883	22,883	22,730	153
Aug-20	14,104	14,104	14,021	83
Sep-20	9,215	9,215	9,192	23
Oct-20	8,151	8,151	8,140	11
Nov-20	3,886	3,886	3,871	15
Dec-20	3,725	3,725	3,724	1
Jan-21	2,984	2,984	2,984	0
Feb-21	4,016	4,016	4,016	0
Mar-21	7,198	7,198	7,198	0
Apr-21	9,996	9,996	9,996	0
May-21	14,300	14,300	14,299	1
Jun-21	11,922	11,922	11,922	0
Jul-21	11,761	11,761	11,761	0
Aug-21	9,810	9,810	9,810	1
Sep-21	7,774	7,774	7,774	0

3. Web based portal for Consumer Grievance Redressal Forum:

MSEDCL CGRF (Consumer Grievance Redressal Forum) portal is a web based portal which is designed to keep online record of Consumer’s grievances received at Forum . The member secretary, CGRF can enters the details of grievance in this portal and EE(Adm) of O&M circle office can submit compliance.

Following new features added as per MERC regulation 2020

- Provision is made for online submission of grievances directly by consumers.
- Consumer has been facilitated for online tracking of grievance using OTP.
- SMS and email notifications are sent to all the concerned whenever hearing is scheduled or reply is filed or final order is uploaded.
- All the CGRF final orders and hearing notices, once uploaded in this portal, are immediately

available in public domain i.e. these are automatically shown at MSEDCL's official website (https://www.mahadiscom.in/).

- Important regulation and case laws, which were referred for redressing the cases, are also stored.

4. Portal for AG Policy 2020

A. Facilities for AG consumers –

i. Detailed information of amount payable and waival of DPC, Interest

Provision is given to Agriculture Consumers to view & pay arrears payable as per AG policy 2020

- Waival of DPC, Interest and arrears payable is displayed on 'Detailed information of due amount'

  AG Consumer can pay, payable amount online.

  Consumer can raise billing complaint if required and status of already registered complaint can be viewed.

ii. Application for New connection of Agriculture Pump

Agriculture consumer can apply for New connection and supply can be provided through LT supply , HVDS or Solar agriculture pump depending on distance from power line.

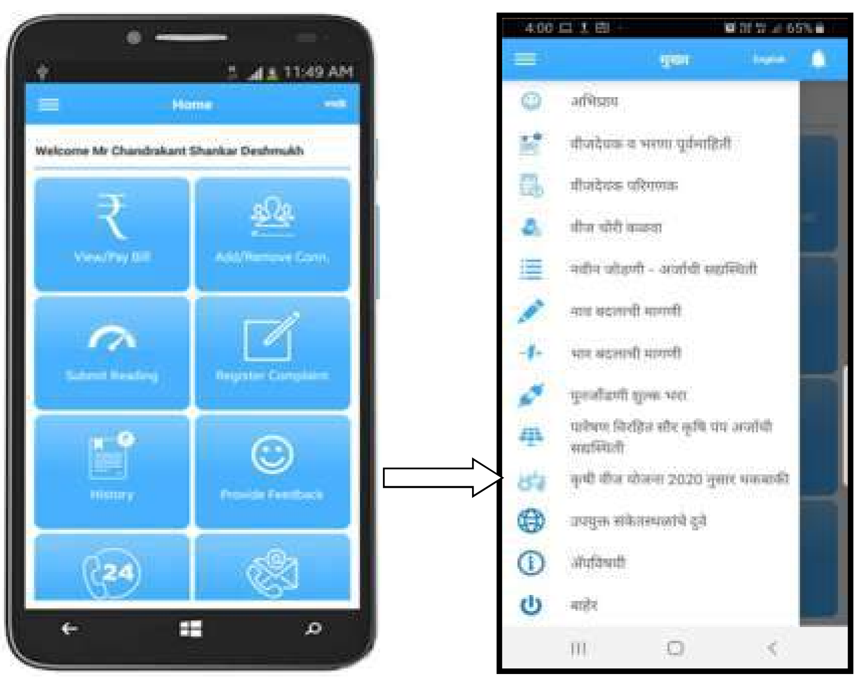
AG consumer can track the application status of new connection using application ID through portal , upload required documents and pay online firm quotation .

Intimation is given to consumers by SMS and emails at every stage

iii. Mobile App for Consumers

'Mahavitaran' a mobile app is available in English & Marathi on Android, iOS & Windows platform for consumers since 2016 with basic services such as view and pay bill, complaint registration, contact details update, apply for new connection, change of name/load, report any suspected electricity theft activity, register for Go Green facility , pay other charges , various facilities for Off-grid Solar Ag Pump beneficiary etc

Till date, more than 57 Lakh consumers have downloaded this mobile app.



➢ Following New facilities are made available through consumer app

- Report transformer failure.
- Submit Reading (self-reading) option (OTP Based) enabled for guest login user.
- Notification to consumers (Bill alert, Self-reading, Payment acknowledgment etc)

Arrears payable - AG policy 2020

- Provision is given to Agriculture Consumers to view & pay arrears payable by selecting option "Arrears payable- AG policy 2020"
- Consumer can raise billing complaint if required and status of already registered complaint can be viewed.

B. Dashboard for Ag policy progress monitoring

(i) Waival of DPC, Interest and Arrears payable under AG Policy 2020

(ii) Collection Efficiency wise ranking

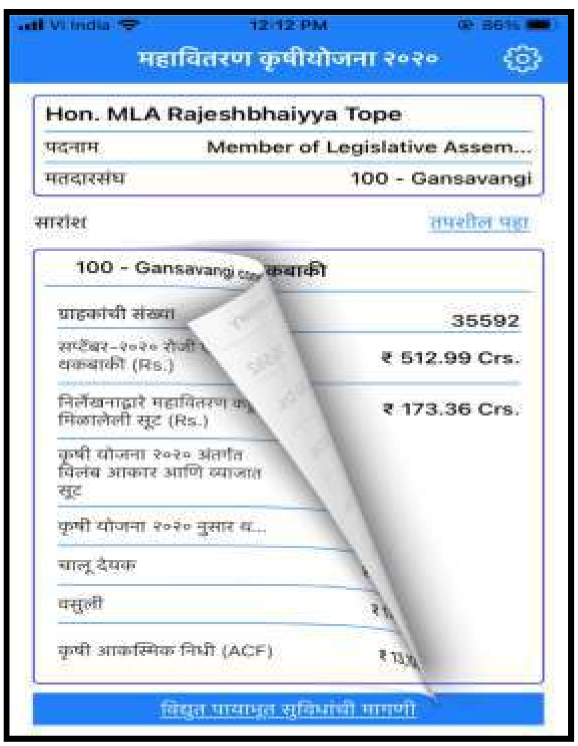
(iii) New Service Connections of Ag Category : pending and released

(iv) Summary of Ag consumers who availed Ag policy 2020 benefits

(v) Utilisation of AG Contingency Fund:

(vi)Consumer billing complaint statistics

C. Mobile App for Hon. MLAs and Hon. MPs



- Provision is made available for Hon. MP / Hon. MLAs to give requirement of new electrical infrastructure / augmentation of existing infrastructure for agricultural consumers using **"MSEDCL AG Policy 2020"** mobile app using OTP based login.
- Hon. MPs/ Hon.Member of RajyaSabha/ Hon.MLAs, Hon. Guardian Ministers and Hon. Members of Vidhan Parishad can submit requirement for new infrastructure for Agricultural consumers under their jurisdiction such as:
    - New Substation
    - Augmentation of existing power T /F in Substation
    - New Transformer
    - Augmentation of existing Distribution Transformer
    - HT Line
    - LT Line
- They can monitor the status of infrastructure requests submitted. They can also view the information of arrears and recovery under AG Policy 2020, of agricultural consumers in their jurisdiction.

Summary of Infrastructure Requirements received from Hon. MP/MLA through AG POLICY 2020 Mobile App	
Infrastructure requirement	**No. of Requests**
New DTC	1087
DTC Augmentation	238
New Sub-Station	349
Sub-Station Augmentation	179
New HT Line	207
New LT Line	357
Total	**2417**

D. <u>Approval of Estimate for New AG Infra under AG policy 2020</u>

- Creation & Approval of Estimate is done under Gram-panchayat (GP) and District ACF (AG Contingency Fund)
- Field officer can create & submit Estimate for Requirements from Hon. MP/ MLA/ MLC (Integration of Works Portal with Mobile Apps) & for other than (without) Requirements.

- Executive Engineer / Superintending Engineer can approve or reject Estimate within GP/ District ACF limit.
- Notification through Email/ SMS is sent to concerned MSEDCL authorities at each stage

E. Saur Krushi Vahini Yojana (SKVY) – Land Bank

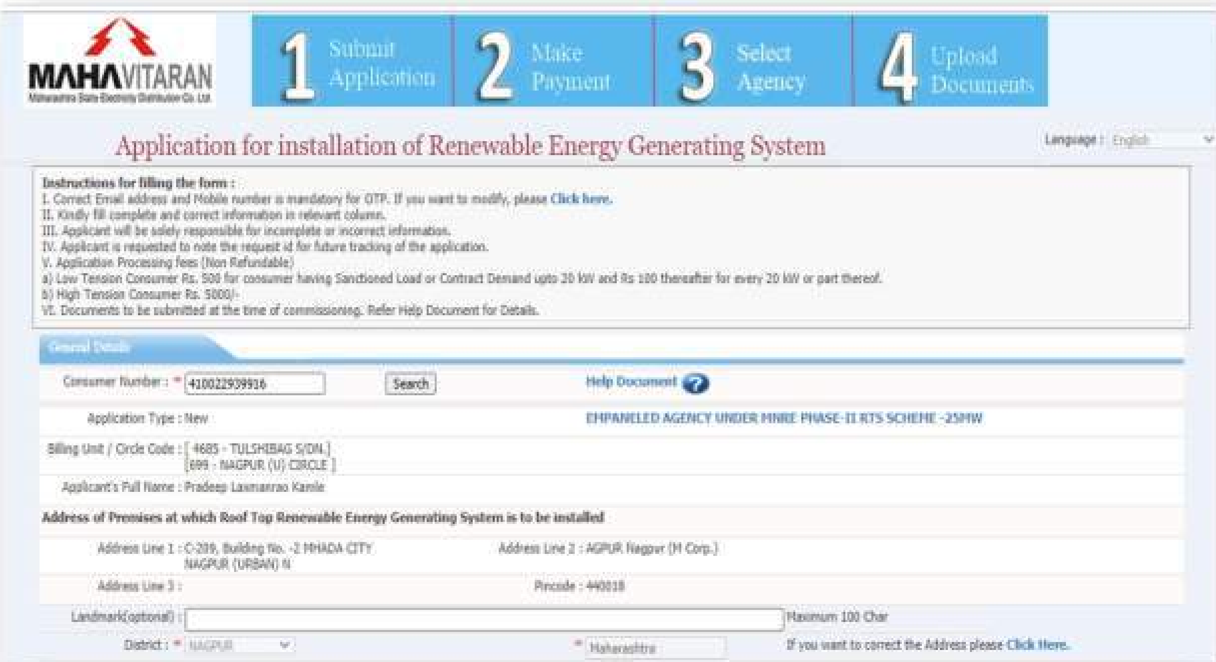
- Portal is developed for land acquisition for setting up the Solar projects to provide day time supply to the Farmers.
- Applicant can be farmer himself, Group of farmers, Co-operative Society Water users association, Sugar Factories, Lift Irrigation Schemes, Grampanchayat and any other Institutions / Organizations.
- After login, Land owner can apply by providing applicant detail, Bank Details & Land details within 5 KM range of Sub-station.
- Land owner has to pay Registration fee ₹. 10,000/- plus 18% GST and after payment EE Civil may approve / reject or hold application of Land owner.
- After approval, Joint Survey of Land will be done by EE Civil & SE O&M through mobile app.

F. Registration for AG Bill Collection center

- Executive Engineer of Divisional Office can register Sugar factories , Sutgirani , Agriculture co-op society and Urjamitra as an electricity bill payment center.
- Payment of electricity bills by Agriculture (AG) consumers is done through OCCS/ Mahapowerpay and Online Payment system.
- If receipt amount is greater than current bill amount then posting will done against current bill amount i.e Energy receipt type-01 and rest of amount will be adjusted against arrears receipt type-26

5. Application for installation of Renewal Energy generating system

Consumers can apply for Solar (Rooftop/Ground) , Wind , Hydro , Biomass, Biofuel solid waste RE energy generation using various RE arrangement .



MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

1 Submit Application | 2 Make Payment | 3 Select Agency | 4 Upload Documents

Application for installation of Renewable Energy Generating System

Language : English

Instructions for filling the form :

I. Correct Email address and Mobile number is mandatory for OTP. If you want to modify, please Click here.
II. Kindly fill complete and correct information in relevant column.
III. Applicant will be solely responsible for incomplete or incorrect information.
IV. Applicant is requested to note the request id for future tracking of the application.
V. Application Processing fees (Non Refundable)
a) Low Tension Consumer Rs. 500 for consumer having Sanctioned Load or Contract Demand upto 20 kW and Rs 100 thereafter for every 20 kW or part thereof.
b) High Tension Consumer Rs. 5000/-
VI. Documents to be submitted at the time of commissioning. Refer Help Document for Details.

General Details

Consumer Number : * 410022939916 Search Help Document

Application Type : New EMPANELED AGENCY UNDER MNRE PHASE-II RTS SCHEME -25MW

Billing Unit / Circle Code : [4685 - TULSHIBAG S/DN.] [699 - NAGPUR (U) CIRCLE]

Applicant's Full Name : Pradeep Laxmanrao Kamle

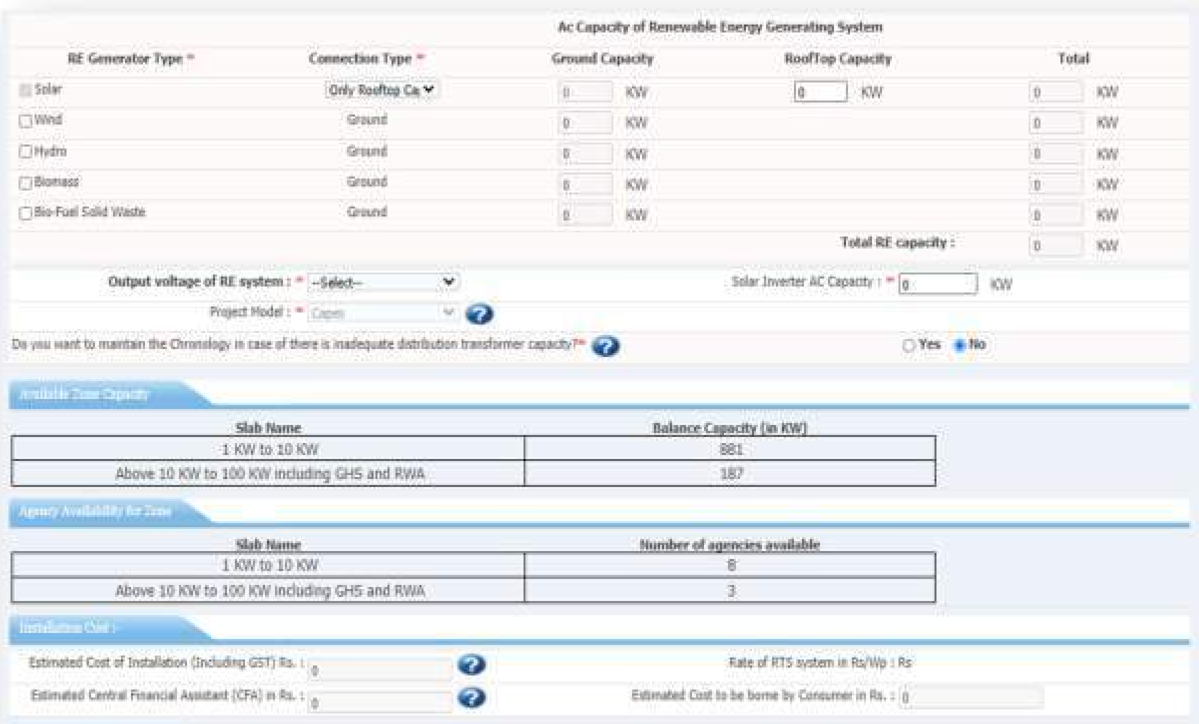
Address of Premises at which Roof Top Renewable Energy Generating System is to be installed

Address Line 1 : C-209, Building No. -2 MHADA CITY NAGPUR (URBAN) N
Address Line 2 : AGPUR Nagpur (M Corp.)

Address Line 3 :
Pincode : 440018

Landmark(optional) : Maximum 100 Char

District : * NAGPUR * Maharashtra If you want to correct the Address please Click Here.



Ac Capacity of Renewable Energy Generating System

RE Generator Type *	Connection Type *	Ground Capacity	RoofTop Capacity	Total
Solar	Only Rooftop Ca	0 KW	0 KW	0 KW
Wind	Ground	0 KW		0 KW
Hydro	Ground	0 KW		0 KW
Biomass	Ground	0 KW		0 KW
Bio-Fuel Solid Waste	Ground	0 KW		0 KW
			Total RE capacity :	0 KW

Output voltage of RE system : * --Select-- Solar Inverter AC Capacity : * 0 KW

Project Model : * Capex

Do you want to maintain the Chronology in case of there is inadequate distribution transformer capacity?* Yes No

Available Zone Capacity

Slab Name	Balance Capacity (in KW)
1 KW to 10 KW	881
Above 10 KW to 100 KW including GHS and RWA	187

Agency Availability for Zone

Slab Name	Number of agencies available
1 KW to 10 KW	8
Above 10 KW to 100 KW including GHS and RWA	3

Installation Cost :-

Estimated Cost of Installation (Including GST) Rs. : 0 Rate of RTS system in Rs/Wp : Rs

Estimated Central Financial Assistant (CFA) in Rs. : 0 Estimated Cost to be borne by Consumer in Rs. : 0

Features

- Online application for installing RE Generating System (Solar / Wind / Hydro / Biogass / Biofuel Solid Waste) for own use.
- Metering Arrangement can be Net Meter , Net Billing or Grid Connected Behind the meter.
- Residential / Group Housing Society (GHS) / Residential Welfare Association (RWA) Category consumer can apply for Subsidy under MNRE Phase-II RTS Program.
- Under MNRE Phase-II RTS Program, zone wise balance capacity and available agencies are displayed for ease of application and rate of RTS System, total RE System cost and subsidy amount are displayed for transparency.
- Consumer can select Empanelled agency of his choice and contact agency directly.
- Other Category consumer can apply under 'No Scheme'.
- Technical Feasibility is made mandatory through Mobile App.
- To submit details of commission of RE Generating System, RE App is provided for Empanelled Vendor under MNRE Phase-II RTS Program.
- RE Application are integrated with MNRE's (Ministry of New Renewable Energy) Spin Portal to submit Solar RE Generating capacity under MSEDCL.

Advantages

- Users can track the status of their Application on this portal.
- Online submission of required documents for Commission of RE Generating System.
- Consumption History of Import, Export and Generator Meter of 6 Month can be viewed.

IT Initiatives for Employees

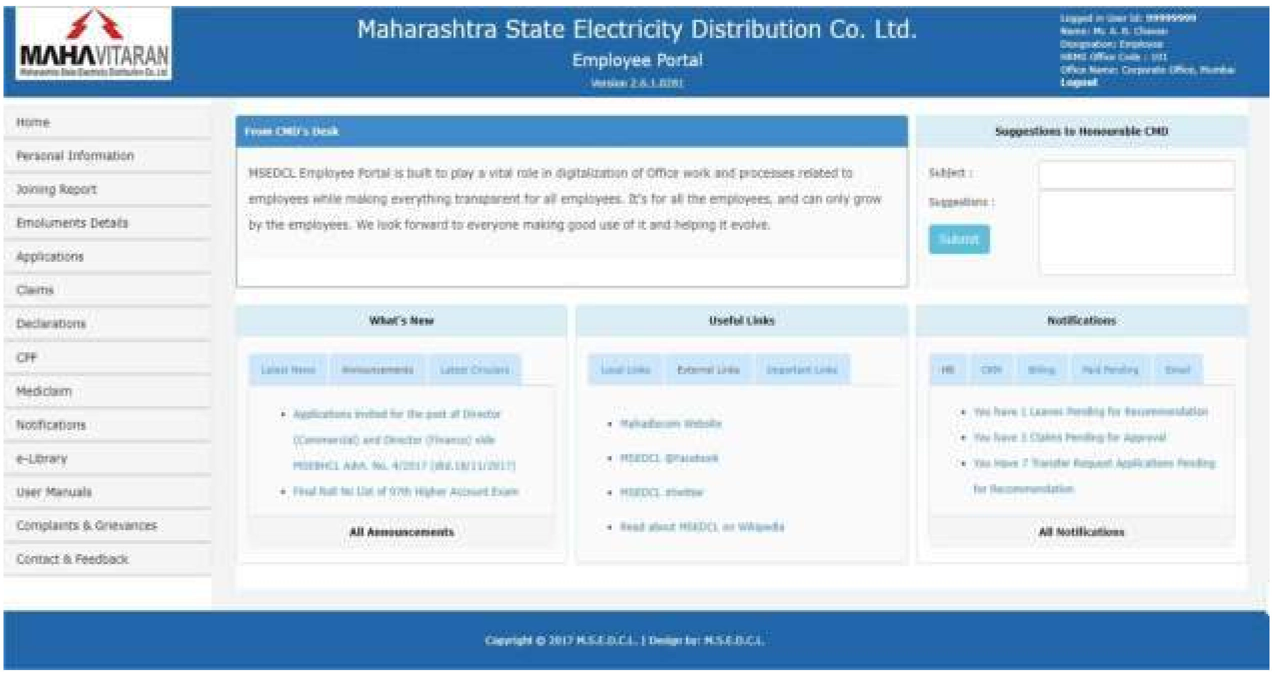
1. Document Management System with eSign

- It is web based system which handles Incoming / Outgoing Office Notes within departments.
- All documents are e-signed and forwarded
- User can forward / close / return / recall the document and can also give remarks on the document.
- Notification to concerned officer through SMS at every stage of documents.
- Complete tracking of Office Notes. Facility to search based on dates, departments, subject, remarks, and authority.
- Central repository of all important papers. Paper usage is reduced.

- Around 1200 office notes with approx. 5000 eSigns are handled every month.

2. Enhancement of Employee Portal

Employee portal has facilities for HR activities such as leave application, claim submission, submit declarations, profile update, view salary details, PF details, seniority details, disciplinary action status , guest house booking , quarter application , view circulars /office orders / user manuals etc. Notification and alert for day-to-day work is sent to employees through this portal.



Advantages of Employee Portal are listed below :

1) No paper work required for leave, TA bill, LTC etc.
2) Immediate submission of application and online approval from sanctioning authority.
3) Delay in processing of bills, approval of applications is reduced substantially.
4) Online applications include all validations which avoid wrong submission.
5) Access to all personal details which result in satisfaction of employees.
6) Simplified processes with status tracking facility

New features provided in Employee Portal to all employees in FY 2020-21 :

- Change Savings Declaration to allow selection of Tax Regime.
- Declaration form for 'Contribution in CM Relief Fund'
- Employee's Declaration Form for Relatives working as Vendors for MSEDCL.

- Education Allowance Declaration.
- Ward Scholarship Form for Employee and its approval process
- Provision to Upload and View Civil Circulars and Documents.
- Application for COVID-19 Advance Loan
- Declaration form for 'Contribution in Flag Day'
- CR Reporting screens for Reporting, Review, Countersingning, Accepting Officers
- Provision for Applying for Special Leave for Election Day
- ACR Form for Paygroup III and IV employees
- Bi-lingual support in Employee Portal for English and Marathi language
- Department wise download facility for various training , amendment documents etc

3. Dashboard (Mahavitaran Saarathi)

Dashboards provides at-a-glance view of KPIs (key performance indicators) relevant to a business process (e.g. Energy sales, payment collection, material stock, or balance sheet). All field officers up to sub-division office are given access to the dashboard.

Benefits of using digital dashboards are as follows:

- Visual presentation of performance measures
- Supports organized business with meaning and useful data
- Ability for trend analysis and measure efficiencies/inefficiencies
- Ability to make more informed decisions (based on collected business intelligence)
- Align strategies and organizational goals
- Gain total visibility of all systems instantly
- Same information is available to all the managers/executives of MSEDCL
- The KPIs can be viewed up to sub division level. (KPI data for last 3 years is available)

<u>Following new dashboards are added in FY 2020-21</u>

a) Techno-Commercial Analysis of DTC Dashboard

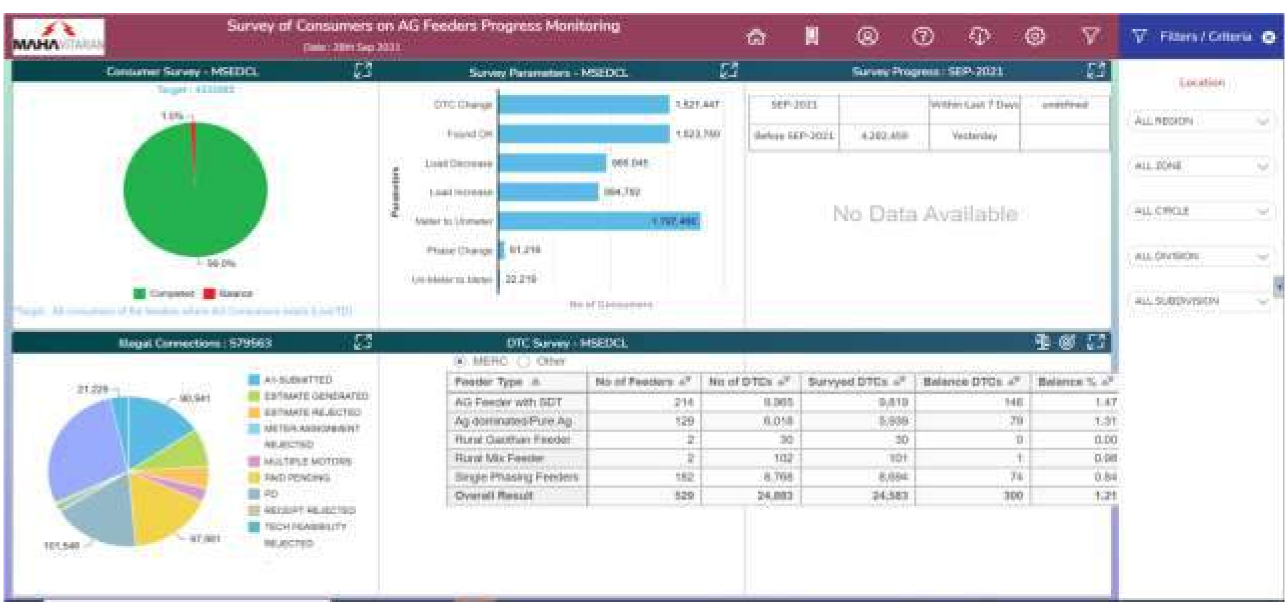
This dashboard is useful for analyzing the DTCs with respect to arrears of the consumers over it and connected load on it. In this dashboard, Loading and Arrears have been categorized with Green Zone, Orange Zone and Red Zone to quickly identify where and which DTCs need attention with respect to Arrears and Loading of DTC.

Features –

- Region/Zone/Circle/Division/Subdivision wise view.
- DTC Type wise Analysis.
- Cross Identification from DTC loading to DTC arrears in days and vice versa.
- Details of the Capacity wise DTC loading Details.
- Detailed reports downloading for the analysis.

b) AG Survey Dashboard

The AG Survey dashboard displays Survey progress of consumers on AG Feeders. The dashboard have statistics according to survey parameters such as DTC Change, Phase Change, and Load Increase/Decrease etc. By monitoring progress, officers can get information regarding completed target / balance.



Features -

- Location wise analysis up to subdivision level.
- Survey Parameter wise statistics.
- Survey Progress position for day/week/month.
- Illegal connections statistics with reason/status.
- DTC Survey information.
- Detail Reports available under 'Download Reports' section.

4. Vehicle Tracking System

- This project includes Design, Development, Customization, Supply, Installation, configuration of the GPS based VTS tracking Solution on cloud.
- The tracking devices installed on vehicle are mapped on licensed map having commercial license with the geo-fencing of all vehicles as per the assigned route and working area.
- Web based application is integrated with mobile app to monitor of vehicle movement. MIS reports along with dashboard is available for easy monitoring.
- Total contract for GPS device installation is for 1222 vehicles out of which 985 vehicles are installed with GPS device.

❖ **PROJECTS :**

In order to meet the growing demand of electrical power, your company has been regularly planning the erection of required electrical infrastructure through various schemes as under.

a) Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY):-

In order to give 24X7 power supply to all in rural area, MoP, GoI has launched this scheme. MoP, GoI has sanctioned this scheme for amount of ₹.2164 Crs. The awarding of tenders were completed in 2016-17 and thereafter execution of works started.

The progress of various major works under this scheme as on March - 2021 is as under.

Particular	Unit	Scope	Achievement	WIP
New Substation	Nos	210	207	3
Capacity addition in existing substation	Nos	149	149	0
New DTCs	Nos	8743	7502	268
Feeder Separation	Nos	680	638	20
HT lines	Kms	15390	13923	354
LT lines	Kms	5118	4274	73

Due to non-availability of few Substation lands, forest clearance & ROW issues, some of the works could not be executed. As MoP, GoI has allowed interchange ability of funds from one component to other & one district to other the revision in bill of quantities is done to utilize the funds of unexecutable works.

The target date for completion of all works under this scheme is September-2021 and all out efforts are made to achieve the target.

b) Integrated Power Development Scheme (IPDS) :-

For strengthening and upgradation of electrical infrastructure in towns having population more than 15000, MoP, GoI has sanctioned this scheme for amount of ₹. 2300 Crs. The awarding of tenders has been completed in 2016-17 and thereafter execution of works started. The progress of various major works under this scheme as on March - 2021 is as under:

Particular	Unit	Scope	Achievement	WIP
New substations	Nos	120	119	1
capacity addition in existing substations	Nos	100	100	-
New DTCs	Nos	5078	4971	48
Augmentation of DTCs	Nos	4109	4096	13
HT lines	Kms.	4596	4510	83
LT lines	Kms.	2852	2793	46

Due to non-availability of few Substation lands, RI permissions & ROW issues, some of the works could not be executed. As MOP, GoI has allowed interchangeability of funds from circle to other the revision in bill of quantities is done to utilize the funds of unexecutable works.

The target date for completion of all works under this scheme was extended till March -2021 due to COVID- 19 Pandemic.

Considering the past experience of project execution, your company had taken no. of initiatives for completing these projects within time & smooth working with minimum disputes during the execution of the projects. However, in spite of taking these initiatives, issues of late permission from various govt. departments like Forest, NHAI, PWD, Railways, etc., late permissions and high RI charges demanded by Municipal Authorities, improper planning by the contractors for material & manpower procurement and GST issues, though on lower scale as compared to earlier projects, continued to be there and above all the COVID -19 Pandemic has resulted into delay in execution of these projects. All efforts were taken and as targeted, 44 Circles out of 45 are completed till March - 2021 except Bhiwandi. The work completion in Bhiwandi is scheduled in Sept -2021. Also financial closures of all 45 circles are scheduled to be completed by Oct -2021.

c) Saubhagya Scheme for 100% household electrification:

Hon. Prime Minister has launched the Pradhan Mantri Sahaj Bijli Har Ghar Yojana “Saubhagya”, on September 25, 2017. The objective of the scheme is to achieve universal household electrification by 31st March 2019. The scope of the scheme is providing last mile connectivity and electricity connection to all un-electrified households in rural areas. For remote and inaccessible villages/ habitations, where grid extension is not feasible or cost effective, solar photo voltaic (SPV) based standalone system to be provided for un-electrified house-holds. The scope the scheme includes providing last mile connectivity and electricity connection to all remaining economically poor un- electrified households in urban areas. Non-Poor urban households are excluded of this scheme. As per the guideline of Saubhagya scheme, 60% grant to be provided by Government of India and 40% of loan to be arranged by state Utility and Discom. Ministry of Power (GoI) has sanctioned total ₹. 774.8 Crs for Saubhagya scheme, out of which ₹. 117.8 Crs. is sanctioned for off-grid connection to MEDA. Total sanction amount for Grid connection is ₹. 657 Crs. to MSEDCL. MSEDCL has electrified all un-electrified households as on 10.10.17 on dated 27.12.2018 and declared the 100% electrification to MoP, Govt of India. Further, MSEDCL has electrified all left-out households by initiating the “Saubhagya Rath” campaign till 31.03.2019. MSEDCL has submitted the closure of the scheme with total 5,58,704 nos. of connections done under the scheme. Total 1276 Km HT line, 8052.26 Km LT line and 3073 nos. of DTC has been erected for providing the connection under the Saubhagya scheme.

❖ **SPECIAL PROJECTS :**

In order to facilitate day time irrigation to the farmers & to promote use of renewable source of energy, the Govt. of Maharashtra vide G.R. No. Solar Project-2018/ C. No. 401/ energy-7 dated 15.11.2018 declared ‘Mukhyamantri Saur Krushi Pump Yojana’ (MSKPY) to install 1,00,000 Off-Grid 3 HP & 5 HP Solar Photovoltaic Water Pumping Systems in phase manner. After commencement of scheme, each phase should be completed in 18 month. Target for Phase-I is

25000 solar pumps. The Govt. of Maharashtra vide G.R. No. Solar Project-2019/ C. No. 159/ energy-7 Dt. 11.09.2019 declared to implement Mukhyamantri Saur Krushi Pump Yojana (MSKPY) Phase-II & III together to install 75,000 Off-Grid 3 HP, 5 HP & 7.5 HP Solar Photovoltaic Water Pumping Systems. MSEDCL is implementing agency for this scheme.

Solar Agriculture pump will be installed in phase wise manner i.e Phase I (2018-19) – 25,000 Pumps, Phase II & III (2019-20) – 75,000 Pumps

Benefits to Farmer –

- Day time Solar power to agriculture pump
- No Electrical network hence no interruption due to breakdown/ transformer failure etc.
- No electricity bills to farmers
- Will help to increase crop yield and farmers income

Funding Arrangement –

Phase	Beneficiary Share (Cr.)	Govt. Share (Cr.)	TOSE (Cr.)	Total (Cr.)
Phase-I	40.66	127.23	286.82	454.71
Phase-II & III	134.23	419.94	946.87	1501.04
Administrative Charges @ 2% of Project cost	-	-	39.12	39.12
Total	**174.89**	**547.17**	**1272.81**	**1994.87**

Category wise Beneficiary Share & Government Share –

Category	Beneficiary Share	Govt. Share	3 HP Beneficiary Share	5 HP Beneficiary Share	7.5 HP Beneficiary Share
General	10%	90%	₹. 16,560/-	₹. 24,710/-	₹. 33,455/-
S.C./S.T.	5%	95%	₹. 8,280/-	₹. 12,355/-	₹. 16,728/-

Category wise allocation of Pumps –
As per G.R., Category wise & Capacity wise allotted quantity is as under:

Phase	3 HP			5 HP			7.5 HP			Total
	Gen	SC	ST	Gen	SC	ST	Gen	SC	ST	
Phase-I	17,078	2,653	1,998	2633	300	338	-	-	-	25,000
Phase-II & III	41,396	6,200	4,904	11,828	1,772	1,400	5,914	886	700	75,000
Total	**58,474**	**8,853**	**6,902**	**14,461**	**2,072**	**1,738**	**5,914**	**886**	**700**	**1,00,000**

Progress of MSKPY as on 16.09.2021 :

Phase-I	Target	Total Application Received	Application Approved & Quotation Issued	Quotation Paid	Vendor Selection by beneficiaries	Liable For Installation	Pump Installed
Phase-I	25,000	26,248	26,248	26,248	26,248	25,000	25,000
Phase-II & III (3 & 5 HP)	67,500	1,99,874	99,317	69,761	69,163	66,573	63,099
Phase-II & III (7.5 HP)	7,500	34,037	6,677	5,384	5,236	5,145	2,354
Total	**1,00,000**	**2,60,159**	**1,32,242**	**1,01,393**	**1,00,647**	**96,718**	**90,453**

A. Feeder Separation Scheme :

For giving 24 x 7 power supply to villages (Gaothan) feeder segregation work has been taken in past under 'Gaothan Feeder Separation Scheme' (GFSS). Total 5398 No. of feeders have been separated under GFSS & Infra Plan Schemes. Separation of 2647 feeders are proposed with estimate cost of ₹. 2730 Cr.

Govt. of India and Govt. of Maharashtra have been requested to provide financial grant. The tenders for 11 Circles have been floated. But subsequently cancelled due to unavailability of the funds. MSEDCL is following up the matters with GoI and GoM.

B. Electric Vehicle Charging Station :

Govt. of India has notified the National mobility mission 2020. Similarly, Govt. of Maharashtra has declared Maharashtra Electric Vehicle Policy 2018. GoM has designated MSEDCL as State Nodal Agency (SNA) for Maharashtra. GoM has updated and published EV policy 2021 on dt. 23.07.2021. MSEDCL as SNA has issued Operational guidelines on 02.09.2021 for incentive disbursement of EV Charging stations.

MSEDCL has decided to set up Electric Vehicle charging station in its premises at their own cost to promote use of electrical vehicle by creating charging infrastructure.

Tariff for EV charging station is fixed as under:

Energy charges ₹. 5.5 per unit and KVA (MD) charges ₹. 70/ KVA/month

(i) During time slot 22.00 to 6.00 Hrs- discount of ₹. -1.5/unit

(ii) During time slot 06.00 to 9.00 Hrs & 12.00 to 18.00 Hrs- base tariff of ₹. 5.5/unit

(iii) During time slot 09.00 to 12.00 Hrs- additional charges of ₹. 0.80/unit

(iv) During time slot 18.00 to 22.00 Hrs- additional charges of ₹. 1.10/unit

Present status of EV charging stations

1. Considering rapid change in technology & present penetration of EV, 12 nos of charging station (DC Fast charger of 15 kw) has been commissioned by MSEDCL.
2. Locations of EV charging station are Thane (5), Navi-Mumbai (2), Pune (4), Nagpur(1)- Total 12.
3. MSEDCL has targeted installation of 50 EVCS in major cities in Maharashtra viz Thane(6), Navi Mumbai (Vashi 10), Pune (18), Nagpur (6), Aurangabad (2), Nashik (2),Amravati (2), Solapur (2), Kolhapur (2). Tender for the same has already been floated.

Proposed Digital Features of Mobile App

With the increased population of electrical vehicle it is necessary to set up a centralized information Centre which provides real time information along with geo-coordinates to e-vehicle owners like -

(i) Digital Current Status of EV Station, Station Specifications, Plug Type, Power (DC, AC)

(ii) Opening Times, Available times (book through app/MSEDCL Consumer number)

(iii) Distance from current location

(iv) Alternate EV station in case the nearest one is Busy or not in service

(v) All possible stations en route scheduled charging reminders option of payment through MSEDCL Portal.

Development of Web Portal for new electric connection, incentive disbursement and mobile app for Electric Vehicle Charging Station (EVCS) is under progress.

C. National Cyclone Risk Mitigation Project :

NCRMP is a Govt. of India Project and is funded by World Bank. ₹. 200 Crores has been allotted for conversion of overhead to underground electrical network under NCRMP scheme. Relief & Rehabilitation (R&R) Department, GoM is the State Project Implementing Unit (SPIU) for Maharashtra. NCRMP unit is set up under R&R Department.75% fund will be provided by Govt. of India and 25% by Govt. of Maharashtra. This project is being implemented under MSEDCL supervision.

NCRMP Project Details:

Sr. No.	NCRMP Project	Validity date	Extended date
01.	Alibag	18.03.2021	31.03.2022
02.	Ratnagiri	14.04.2021	31.03.2022
03.	Satpati	03.10.2020	03.01.2022

Progress Status: (As on 15.09.2021)

Sr. No.	Particulars	Unit	Alibag		Ratnagiri		Satpati		Total	
			Scope	Achiev.	Scope	Achiev.	Scope	Achiev.	Scope	Achiev.
1	22 kV GIS Switching Station	Nos.	01	Land development & Control room completed.	-	-	-	-	01	0
2	33/22/11 HT Cable	Nos.	64.22	38.46	101.32	37.84	11.55	8.49	177.09	84.85
3	33/ 22/11 KV RMU	Nos.	98	0	138	0	17	0	253	0
4	LT U/G Cable	Km	179.24	56.75	223.25	45.78	40.36	16.85	442.85	119.38
5	Distribution Transformer	Nos.	30	0	16	0	5	0	51	0
6	LT Pillar	Nos.	1525	10	1847	150	285	0	3707	160

❖ Distributions schemes :

There are many ongoing schemes for infrastructure development under MSEDCL. During the year FY 2020-21 MSEDCL has implemented various distribution schemes through state funds as under:

DPDC Schemes :

The District-wise yearly plan for works of general electrification in Tribal & Non–tribal areas, electrification works for weaker section, etc. prepared by MSEDCL are approved by the concerned District Collectors. The funds under the schemes are provided by GoM as grant during the year 2020- 21, following component wise works have been completed.

Sr No	Particulars	DPDC Non-tribal	DPDC Special Component Plan (SCP):	DPDC Tribal Sub Plan (TSP)	DPDC OTSP
1	Domestic connections	4093	987	310	245
2	AG Pump connections	39	622	11	20
3	Street Light Connections	606	75	-	-
4	WadiPada Electrification	11	-	06	-
5	Sanction Fund	416.70	171.71	104.24	23.10
6	Expenditure	135.85	43.40	22.50	3.82

• The progress is up to Mar-2021.

Energisation of Agricultural Pumps:

MSEDCL has energized 1, 17,304 nos. of agricultural pump-sets under various schemes during the year 2020-21. Thus, as on 31.03.2021, total 44, 39,975 pump sets have been energized in the State.

a. Agricultural Backlog Scheme:

Objective: To remove the regional imbalance of Ag pump energisation in the State, Indicator & Backlog Committee nominated by Hon'ble Governor declared the backlog of 2, 98,225 nos. of Ag pumps as on March 96.

Area Covered: Akola, Washim, Amravati, Yavatmal, Wardha, Bhandara, Gondia, Chandrapur, Gadchiroli, Jalna, Parbhani, Hingoli, Beed, Nanded, Thane, Raigad, Sindhudurg and Ratnagiri.(18 nos. of districts)

Funding: As per the directives issued by Hon'ble Governor, from the FY 2005-06, the fund is being made available by GoM as grant to Mahavitran under the scheme.

Progress: Under this scheme, backlog of Ag Pump energisation has been removed completely from Marathwada region and Vidarbha region. In Rest of Maharashtra except Ratnagiri district, backlog of Ag. Pump energisation has been completely removed from Thane, Sindhudurg & Raigad district.

Ag pumps energisation in backlog districts is carried out along with other related work such as HT Line, LT line & DTC erection. The balance backlog of Ag pump energisation was to be removed from Ratnagiri District. GoM sanctioned ₹. 40 Crs. for FY 2018-19.

Sr. No.	Name of District	Balance Ag Backlog as on Mar-2018 (No. of Pumps)	Year-wise Ag Connection released			Total Connection released	Balance Backlog as on Mar-2021 (No. of Pumps)
			2018-19	2019-20	2020-21		
1	Ratnagiri	7441	510	427	619	1556	5885

"ATAL" Solar Ag Pump Scheme :

Objective:

To promote the use of Green and Clean energy.

To reduce the Infrastructure cost in the area where MSEDCL network is not available. Relief to farmers in 6 suicide prone districts and other 15 districts in the ratio 80%-20%.

Modalities adopted for larger penetration:

1) MSEDCL invited and finalized the 14 nos. of tenders for executing the scheme.

2) Govt. of Maharashtra, vide Resolution No. Solar Project-2014/ C.No. 319/ energy-7 dated 04.11.2016, revised the criteria of farm land holding area from 5 acres to 10 acres and also permitted the farmers, who got are benefited under this project, to apply for electricity connection in the same farm land after 10 years from installation of Solar Ag Pump.

3) Further all districts of the state are now covered under the scheme & the allocation is changed from 80-20% to 50-50% between Suicide prone district of Vidarbha & rest of Maharashtra.

Result:

As on 31st Jan 2019, 12955 nos. applications have been received out of which 9382 nos. Applications are sanctioned by District Committees and quotations issued. 5662 nos. Beneficiaries have paid their contributions; 5662 Ag pumps are commissioned. The scheme is completed and closed.

IV) Village Electrification:

a) As on Mar 2017, there were total 41,928 villages in Maharashtra. Out of which 41,817 villages were already electrified and 111 villages were to be electrified.

b) As on March 2018, Out of 111 villages, MSEDCL has electrified all 48 villages of its scope. MEDA has electrified 58 villages out of 63 villages (5 villages from Amravati district are re-habitated so need not to be electrified). All villages electrified in Maharashtra State.

V) East Vidarbha Scheme:

In order to strengthen, augmentation of existing electrical infrastructure and provide electrical connections to shet-tale and wells of farmers in the districts of Bhandara, Gondia, Chandrapur, Gadchiroli & Nagpur (East Vidarbha), GoM vide GR dt. 29.02.2017 has sanctioned East Vidarbha scheme amounting ₹. 749.72 crs .Your company had a prepared and submitted a scheme to GoM. Further, GoM has provided funds of ₹. 350 crs.in first phase to MSEDCL. Tenders are floated under this scheme and 212 nos. of LOA issued. Work under this scheme is under progress and the progress of scheme during FY 2019-20 is as below-

New Substation	Addl PT	Aug. of PT	New DTC	Replacement of 63/100 KVA Dist. Box
9	9	5	584	4724

VI) SYSTEM STRENGTHENING IN METROPOLITAN REGION (SSMR) SCHEME

MSEDCL is implementing System Strengthening in Metropolitan Region (SSMR) -scheme in Financial Year 2018-19, 2019-20 & 2020-21 with total capital cost of ₹. 438 Crores to strengthen existing distribution network and reduce power supply interruptions in high revenue pocket areas in Mumbai & Pune Metropolitan Region consisting of Bhandup, Kalyan& Pune Zones.

The objectives of the scheme are:

a) Strengthening & Augmentation of existing distribution network.

b) To reduce power supply interruptions in High Revenue pocket areas of Mumbai & Pune Metropolitan Regions.

c) Replacement of existing feeder pillars with RMUs and providing RMUs at multiple locations for easier load diversion, fault isolation & minimizing interruption area.

d) Laying of additional link lines for conversion of existing Radial network to Ring Mains.

e) To replace old, corroded and deteriorated aging infrastructure like Electric Poles, Feeder Pillars, Conductors, etc to reduce frequent power supply interruptions.

The funds for execution of the project are being arranged by availing loan from financial institutions. MERC has accorded in-principle approval to the scheme vide letter No. MERC/CAPEX/2019- 20/9170/, Date: 22-10-2019.

The following benefits are envisaged from the scheme:

a) 24x7 reliable power supply to consumers in high revenue pocket areas.

b) Reduction of power supply interruptions and breakdowns.

c) Reducing overloading of existing network and meeting load of prospective consumers.

d) Meeting Universal Supply Obligation.

The full turnkey tenders for execution of project are floated and work is in progress.

PROGRESS
(31-03-2021)

Sr No.	Description	Unit	Freezed Scope	Completed
1	Installation / Replacement of R.M.U.	Nos.	537	458
2	HT Lines	Kms.	701.67	295.36
3	LT Lines	Kms.	355.64	251.12
4	Replacement of Feeder Pillars	Nos.	558	530
5	Replacement of Poles	Nos.	557	540
6	Replacement of DB	Nos.	387	332
7	Replacement of AB Switches	Nos.	416	251
10	Installation of Multi Meter boxes	Nos.	1091	1091
12	DTC New / Augmentation / Conversion	Nos.	160	160
13	Substation			
A	Establishment of New substation / Switching station	Nos.	11	3
B	Additional /Augmentation	Nos.	5	2

VII) HIGH LOSS FEEDER (HLF) SCHEME

MSEDCL is implementing High Loss Feeder (HLF) scheme to bring down distribution losses in 259 high loss feeders (more than 50% losses). In the 1st Phase 185 feeders are chosen to be taken up in Financial Year 2018-19, 2019-20 with total capital cost of ₹. 316.22 Crores to bring down distribution losses in 185 high loss feeders (more than 50% losses) under statutory towns.

The objectives of the scheme are:

a) Introduce HVDS (High Voltage Distribution System) for reducing HT:LT ratio and providing AB (Aerial Bunched) cable to prevent theft and pilferage of electricity by hooking.

b) To shift energy meters from consumers premises and providing multimeter boxes to outside to prevent tampering of energy meters.

c) Replacement of faulty energy meters.

d) To replace old, corroded and deteriorated LT conductor and providing AB switches and wedge connectors to reduce power supply interruptions and prevent accidents.

The funds for execution of the project are being arranged by availing loan from financial institutions. MERC has accorded in-principle approval to the scheme.

The following benefits are envisaged from the scheme:

a) Increase in revenue and reduction in losses.

b) Reduction of power supply interruptions and accidents.

c) Improvement in reliability of power supply due to introduction of HVDS.

d) Meeting Universal Supply Obligation.

The turnkey tenders for execution of project are floated and work is in progress.

PROGRESS OF HIGH LOSS FEEDER SCHEME
(31-03-2021)

Sr No.	Description	Unit	Tender (Freezing Scope)	Completed
1	Installation /Replacement of Meters	Nos.	85076	38351
2	HVDS (New DTC)	Nos.	717	607
3	Conversion of LT Line to HT Line	Kms.	121.68	88.29
4	Provision of AB cable	Kms.	1208	980
5	Shifting of meters from Inside to Outside consumers premises	Nos.	138405	54921
6	Installation of 1 Ph/ multi meter/ service box boxes	Nos.	13830	8039

Vide L. No. ED (Dist.)/D-III/HLF DPR/23498 dtd. 4.10.18 Competent Authority instructed that the detailed estimates for High Loss Feeders are prepared to quantum of work required & justification to reduce losses at your level. It will be the responsibility of Chief Engineer of concern Zone to evaluate the detailed estimate w. r. t works proposed for loss reduction and ensure realistic reduction of losses in a time bound manner.

Vide L. No. CE (Dist.)/M-I/F-507/NSC/32202 Dtd.22.11.2019, The competent authority had review of progress of HLF scheme and existing losses (June Qtr-19) w.r.t base-loss (2017-18).Competent Authority issued instructions to revise the scope of work as per the touched work and complete the tenders before Dec-2019.

MSEDCL is implementing High Loss Feeder (HLF) scheme to bring down distribution losses in 259 high loss feeders (more than 50% losses). In the 1st Phase 185 feeders are chosen to be taken up in Financial Year 2018-19, 2019-20 with total capital cost of ₹. 316.22 Crores to bring down distribution losses in 185 high loss feeders (more than 50% losses) under statutory towns.

VIII) <u>Evacuation of Power from EHV Substation Scheme</u>

- MSETCL establishes new EHV S/s for reducing overloading, lengthy HT lines and resolving voltage drop issues and for meeting load growth. For utilization of commissioned transmission network and improve power supply quality, it is necessary to evacuate power from these newly commissioned EHV substations.
- In present situation, various existing EHV substations are over loaded/ under loaded, having lengthy feeders and spare bays available at newly commissioned EHV substations. In some cases voltage regulation of existing feeders exceeds permissible limit (MERC regulations) due to which the consumers at the fag end are facing low voltage problem. For utilization of spare bays and to solve above problems, new 33kV lines are required for re-orientation of existing 33kV network in supply area.

Project Objectives:

Utilization of commissioned EHV S/s

Reducing overloading on HT lines and voltage drop issues.

Reduction in interruptions due to reduced length of HT lines Providing reliable power supply.

Scope of Work:

Sr No	Circle	Name of EHV S/s	Freezing Target (Lines in Km)	Achievement (Lines in Km)
1	Buldana	132/33 kV Deulgaon Raja	52.65	52.65
2	Jalna	220/33 kV Nagewadi	10.5	0.4
3	Osmanabad	220/33 kV Narangwadi	20.93	20.93
4	Yavatmal	132/33 kV Ralegaon	31.2	31.2
5	Wardha	220/33 kV Karanja	14.64	14.64
6	Ahmednagar	132 kV Babhulwada	72.59	72.59
7	Amravati	220 kV Vihigaon	61.11	61.11
8	Gadchiroli	132 kV Chamorshi	45	36.24
9	Jalgaon	220 kV Kekatnimbhora	97	84
10	Hingoli	132 kV Kolsa	25	20
11	Yavatmal	132 kV Renukapur	58	55
Total			**488.62**	**448.76**

*Progress as on 31.10.2021.

- In **3rd & 4th Phase FY 2020-21**, Total Project DPR Cost for **3rd & 4th Phase Project (FY 2020-21)** is **₹. 129.65 Crs** for which tendering done at Zonal level and LOA will be issued after financial linkages for Phase-III & Phase-IV scheme, joint site survey and mobilization and financial tie up in progress. Out of 17 nos. of DPR, two Nos. of projects under Akola and Malegaon Circle has started in which 23 Km line is completed against the targeted line of 36.5 Km

VI) New Initiatives

High voltage Distribution System (HVDS):

Govt. of Maharashtra vide G.R. dated 05.05.2018 has approved Ag HVDS scheme of ₹. 5048.13 Crs, towards providing power supply to the Agriculture paid pending applicants as on 31st March 2018. The scope of the scheme is to provide Agriculture connections to 2.24 Lakhs of paid pending Ag consumers and establishment of 226 nos. of Substations to cater the load of existing and prospective consumers.

After 31.03.2018 till actual starting of HVDS Scheme under various schemes Ag connections were released, therefore work Ag connections of total paid pending consumer 1,66,767 under HVDS scheme is under process. For system strengthening 108 Nos new sub stations & 62 Nos additional/ augmentation power transformers erection works are under progress.

Out of Scheme Cost ₹. 5048.13 Crs, for Vidharbha & Marathwada, GoM is providing grant of ₹. 2248.09 Crs. Till date GoM has disbursed grant of ₹. 1134 Crs. GoM has taken loan from Asian

Development bank and provide financial support in terms of grant to MSEDCL for implementation of HVDS scheme. This loan is effective from the month December 2020.

For Rest of Maharashtra, MSEDCL will take loan from financial institute amounting ₹. 2800 Crs. Loan amounting to ₹. 1500 Crs & ₹. 1300 Crs are sanctioned by Punjab National Bank & Punjab and Sindh Bank respectively .The relevant loan agreements have also been executed

Partial Turnkey contracts 634 Nos amounting ₹. 2137.96 Crs are awarded circlewise to various agencies, whereas in Beed, Latur, Osmananbad, Hingoli, Nanded, Jalgaon, Nandurbar, Dhule, Nashik, Ahmednagar, Sangli, Kolhapur , Satara & Sindhudurg districts 14 Nos full turnkey contracts amounting ₹. 1381.37 Crs are awarded to various agencies.

Full turnkey contracts for substation works under Vidharbha & Marathwada (Except Nanded & Buldhana) amounting ₹. 289 Crs are awarded to various agencies during the month of Sep-2019. Tenderization for Buldhana and Nanded is under process.

Full turnkey contracts for substation works under Rest of Maharashtra (Except Nashik & Malegaon) amounting ₹. 161.42 Crs are awarded to various agencies during the month of July 2021. Tenderization is under process for Malegaon & Nashik Circle

The Physical progress of the scheme up to 15th September 2021 is as under:

HVDS SCHEME PROGRESS (PTK & FTK) AS ON 15.09.2021				HVDS Sub Station as on 15.09.2021					
Name of Region	Freez Cons. Scope	Connection released	% Achievement w.r.to scope	Sub Station Scope		Addl /Aug Pt		APFC	
				Scope	Achievement	Scope	Achievement	Scope	Achievement
Nagpur	45,345	33,813	75	42	18	13	13	5	3
Aurangabad	49,309	34,990	71	24	6	21	10	8	5
Vidarbha & Marathwada	**94,654**	**68,803**	**73**	**66**	**24**	**34**	**23**	**13**	**8**
Pune	39,241	29,974	76	24	5	11	-	-	-
Kokan	32,872	21,895	75	18	3	17	1	2	-
Rest Of Maharashtra	**72,113**	**56,025**	**78**	**42**	**8**	**28**	**1**	**2**	**-**
MSEDCL	**1,66,767**	**1,24,828**	**75**	**108**	**32**	**62**	**24**	**15**	**8**

Challenges Faced During Execution of HVDS Scheme

- Large nos. of transformers of capacity (10/16/25 KVA) are required, manufacturers were not ready with the required set-up. Initially resulted in delay in transformer supply.
- Full Turn Key contractors received lately approval for design & type tests of transformers as concept of lower capacity transformer was new.

- Every installation requires permission from Electrical inspector resulting in delay in getting charging permission however with GoM notification this condition is now relaxed.
- Heavy rains and stranding crops in the field hampering the progress of installation.
- Work order of the scheme has been given from September 2018 to February 2019 and the actual work has started from October 2018.
- Due to lockdown of COVID -19 from 20th March 2020 progress is hampered, as the period from April to June 2020 was conducive to works of Ag connection

However, now it has gained momentum. Considering the balance quantum of work MSEDCL has requested GoM to extend the time period up to March-2023 and the same has been approved.

<u>Mukhyamantri Saur Krushi Vahini Yojana:</u>

The Government of India has set the target of solar power generation of 100 GW by year 2021-22 under the national solar mission. In order to achieve target set by GoI, considering the potential of solar generation available in Maharashtra, Government of Maharashtra declared "Mukhyamantri Saur Krushi Vahini Yojana" (MSKVY) for providing day time power to agriculture consumers through decentralized Solar Projects and further vide Resolution dated 17.03.2018 nominated MSEDCL as a implementing agency for the scheme. The scheme envisages connection of small capacity solar projects at distribution level. i.e. at 11/22 kV level of the distribution sub-station. Upto March-2021, MSEDCL has contracted 1154 MW Solar capacity out of which 311 MW capacity is commissioned.

Benefits of MSKVY are –

1. Good quality day time power supply to farmers.
2. Being a distributed solar generation, reduction in T&D losses.
3. Reduction in additional network Infrastructure Cost.

Establishment of solar plant at spare land of MSEDCL/MSETCL substation and Government land. In line with the Mukhyamantri Saur Krushi Vahini Yojana MSEDCL has contemplated to establish small solar power plants in spare lands available at land of MSEDCL/MSETCL substation and Government land with capacity ranging from 0.3 MW to 10 MW with cumulative capacity 500 MW solar generation. MSEDCL has signed PPAs for 500 MW (200 MW in FY 2018-19 and 300 MW in FY 2019-20) capacity with M/s. EESL for establishment of small solar PV plant at spare lands of MSEDCL/MSETCL substation is an innovative project and a flagship scheme of MSEDCL, MSEDCL will be at forefront in evacuating solar power across the state of Maharashtra by utilizing spare land of MSEDCL/MSETCL substation for establishment of solar power plant. Around 200 locations are identified where spare land is available. Against 200 MW PPA, solar capacity of 111 MW is installed upto March-2021. MSEDCL has planned to install balance capacity by the end of March-2022.

Tenders floated by MSEDCL under MSKVY

MSEDCL contracted 527 MW Solar capacity under the Tender floated for procurement of Solar Power from decentralized solar generation projects to be connected at 11 kV level of Distribution Sub-Station. Such scheme will benefit the farmers by the provision of day time reliable power supply and will also help the distribution system by reducing the loss due to generation at load centers. Considering these benefits, MSEDCL floated the district/circle wise 30 tenders for procurement of 1300 MW solar power through competitive bidding process from such decentralized generation projects under MSKVY and has received the bids for 111 MW capacity which is under process of signing of PPA. Also, MSEDCL has floated tender under open tender methodology with one of the option of providing lands from web Land portal developed by MSEDCL. Out of 527 MW contracted capacity, projects having total capacity of 180 MW are commissioned upto March-2021.

Power Sale Agreement by MSEDCL with MSPGCL under MSKVY:

In FY 2020-2021, MSEDCL has contracted 127 MW solar capacity with MSPGCL, out of which 20 MW solar projects are commissioned upto March-2021.

Land Portal:

MSEDCL has developed an online land portal through which land owner can submit its land details for showing its willingness to make available its land for solar project and thus land bank is being created. This land will be made available to developer on rent basis for erection of solar projects under MSKVY scheme.

❖ **Human Resource Department**

1. **Introduction of 'Sanitary Allowance':**

   MSEDCL has introduced a onetime 'Sanitary Allowance' of ₹. 1000/- each to Pay Group III and IV employees in view of COVID-19 Epidemic for sanitization and to take effective prevention from infection of COVID-19 while performing duty. This Allowance was paid to 48068 employees amounting to ₹. 4.81 Cr.

2. **Issuance of Guidelines regarding COVID-19:**

   Due to the spread of COVID-19 Pandemic the Central and State Government had issued various guidelines regarding precautionary measures to be observed at office working spaces. On the lines of Govt. of Maharashtra, the company adopted all the precautionary measures effectively and regulated the attendance of employees during the period of lockdown on percentage basis. Detailed guidelines in the form of Various Circulars were issued to ensure smooth functioning of day to day works in field offices without affecting the customer services and ensured uninterrupted power supply throughout the state.

3. **Promotions and Transfers during Lockdown:**

During the period of Lockdown, in order to avoid delay in Promotions, Suspension Revocation as well as yearly general transfers of employees, virtual panels through VC were conducted and Promotion, Suspension Revocation and Transfer orders were issued as per the schedule. Concerned authorities along with HR staff did put in extra hours of work and overcame number of challenges and restrictions imposed due to general lockdown status.

4. **One Year ITI Sandwich Course:**

Considering the number of pendency of applications of non qualified candidates for appointment under Compassionate Ground, the company followed up with Govt. of Maharashtra for reintroduction of the One Year ITI Sandwich course in various ITI Centres in the State to provide training to non-qualified candidates to make them eligible for appointment to the post of Technician. Govt. of Maharashtra has approved Sandwich Course for the year 2020-21 and 148 candidates are currently undergoing training at various ITI centres spread across the state.

5. **COVID Loan:**

MSEDCL has adopted the guidelines of EPFO regarding COVID Loan to employees for the treatment of COVID-19. Under this scheme an amount equal to 3 months Basic and DA was made payable to the employees as immediate non-refundable Loan. Till date an amount of ₹. 212.55 Cr. is disbursed to 15352 employees in the Company.

❖ **Distribution Franchisee Department:**

The power sector in India faces severe technical and commercial losses in distribution segment, which is generaly due to power theft and collection inefficiencies which amount to virtually 50% of the input. Various initiatives have been introduced by various power distribution utilities across the country to further reforms in the sector. It has been increasingly being recognized that Public Private Partnership (PPP) models could have been implemented to increase investment, improve operational efficiency and service delivery to the consumers. Input based Distribution Franchisee is one such which has been initated by the Maharashtra State Electricity Distribution Company Limited (MSEDCL).

Bhiwandi Distribution Franchisee:-

M/s Torrent Power Limited has been appointed as the Distribution Franchisee for Bhiwandi Circle in Thane District, Maharashtra and all distribution operations have been handed over to M/s TPL from 26th January 2007 for 10 years.

Performance of M/s TPL in Bhiwandi DF Area:

	Before Handing Over	After Handing over									
Year	2006-07	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Input (Mus)	2520.99	3187.53	3434.80	3472.62	3765.61	3679.08	3575.73	3741.28	3621.90	3682.47	2944.02
Sale (Mus)	1465.88	2636.10	2832.60	2759.61	2954.63	2856.96	2800.14	3083.66	3073.99	3254.51	2466.47
%Dist. Loss	41.85	17.30	17.53	20.53	21.54	22.35	21.69	17.58	15.13	11.62	16.22
%Collection Efficiency	68.20	99.15	94.10	96.17	98.49	95.40	98.98	100.45	100.39	94.86	104.80
No. of DTCs	2247	2698	2770	2864	2911	2953	2984	2992	3046	3091	3151
DTC Failure (%)	34.41	1.85	1.44	1.01	0.96	0.95	0.87	0.97	0.83	0.92	0.89

Improvements carried out by M/s TPL:-

1. Added 41 new 22 kV feeders and 19 new Ring Main feeders to existing 48 feeders.
2. Revamped the four existing switching stations
3. Replaced more than 1000 DTCs and some transformers were augmented.
4. Installed 110 MVAR capacitors.
5. 98% of billing on meter reading basis compared to 46% at the time of takeover.
6. Operationalised 24X7 call center.
7. Commenced 24X7 control room and fault attendance centre.
8. Started Two dedicated Customer Care Centers.
9. Established Internal Grievance Redressal Cell as per EA 2003.
10. Started mobile bill collection Van.
11. On Line Payment Portal facility for the Payment of Electricity Bill.

As per Provision in Bhiwandi Distribution Franchisee Agreement, M/s Torrent Power Ltd has requested for the extension of the agreement. After taking review of the work done by M/s Torrent Power Ltd in Bhiwandi Distribution Franchisee area, MSEDCL has renewed the Bhiwandi Distribution Franchisee Agreement with revised rate for the period of 10 years i.e. from 26.01.2017 to 25.01.2027.

Shil, Mumbra & Kalwa Distribution Franchisee:-

As per the directives of the GOM, MSEDCL initiate the process for appointment of Distribution Franchisee in Shil, Mumbra & Kalwa subdivisions Under Thane Urban Circle through open E tender process. M/s Torrent Power Ltd. Ahmedabad (TPL) emerged as successful bidder and agreement was signed between the parties on 11.02.2019. The operations of designated DF area was handed over to M/s TPL on 01.03.2020

Performance of M/s TPL in SMK DF Area :

Parameters	MSEDCL period 2019-20 (Upto Feb 2020)	After Handing Over 2020-21 (From Mar 2020 to Mar 2021)
Input (Mus)	689.39	767.02
Sale (Mus)	354.15	416.6
Dist. Loss (%)	48.63	45.69
Collection Efficiency (%)	93.42	87.25
No. of DTCs	652	678

Works carried out by M/s TPL in SMK DF Area:-

1. Added 02 new 22KV feeders.
2. 06 nos Distribution Transformers Augmented.

Malegaon Distribution Franchisee:-

As per the directives of the GOM, MSEDCL initiate the process for appointment of Distribution Franchisee in Malegaon Municipal Corporation area under Malegaon Circle through open E tender process. M/s CESC Ltd was selected as Distribution franchisee for Malegaon corporation area and agreement was signed between the parties on 29.05.2019. The operations of designated DF area were handed over to M/s TPL on 01.03.2020. M/s CESC started operations in DF area through its subsidiary m/s Malegaon Power Supply Ltd.(M/s MPSL)

Performance of M/s MPSL in Malegaon DF Area :

Parameters	MSEDCL period 2019-20 (Upto Feb 2020)	After Handing Over 2020-21 (From Mar 2020 to Mar 2021)
Input (Mus)	1054.08	1164.12
Sale (Mus)	540.43	626.44
%Dist. Loss	48.73	46.19
%Collection Efficiency	95.26	82.2
No. of DTCs	2395	2456
DTC Failure (%)	21.64	19.46

Work carried out by M/s MPSL in Malegaon DF Area:-

1. Added 01 Power Transformer of 10 MVA.
2. Added 03 nos of new 11KV feeders.
3. 88 nos Distribution Transformers Augmented.

Terminated Distribution Franchises

Nagpur Distribution Franchisee:-

The Electricity Distribution Operations for Nagpur area comprising Civil lines, Mahal and Gandhibag Divisions was handed over to M/s. Spanco Ltd. on 1st May 2011. Due to precarious financial condition of parent company M/s Essel group (EUDCL), M/s SNDL shown unwillingness to continue the franchisee business. Hence the Franchisee area of Nagpur DF was taken over by MSEDCL on 09.09.2019. The settlement of final termination account of M/s SND Ltd is in progress.

Jalgaon Distribution Franchisee:-

The Electricity Distribution Operations for Jalgaon UCR Division comprising Jalgaon Urban-I, Jalgaon Urban-II, Jalgaon Rural and Nashirabad Subdivisions of Jalgaon Urban cum Rural Division was handed over to M/s. CGL on1st November 2011.

During the operations of Jalgaon Distribution Franchise business by M/s CGL, it was observed that CGL could not make the full payment of invoices raised by MSEDCL in stipulated time period. Therefore, as per provisions of Distribution Franchise Agreement (DFA), the agreement with CGL has been terminated on 10.08.2015 and distribution operations have been taken over by MSEDCL w.e.f. 12.08.2015. Final termination account of M/s CGL has been settled as per provisions of DFA.

Aurangabad Distribution Franchisee:-

The Electricity Distribution Operations for Aurangabad Urban Division I & II was handed over to M/s GTL Ltd. on 1st May 2011.

During the operations of Aurangabad Distribution Franchise business by M/s GTL, it was observed that GTL could not make the full payment of invoices raised by MSEDCL within stipulated time period. Therefore, as per provisions of Distribution Franchise Agreement (DFA), the agreement with GTL has been terminated on 10.11.2014 and distribution operations have been taken over by MSEDCL w.e.f. 15.11.2014. M/s GTL has invoked the article of the Arbitration as per the provision Distribution Franchisee Agreement and the procedure for appointment of arbitrator from both the side as well as third arbitrator has been completed. Further, arbitration proceedings are in progress.

Change in the Nature of Business, If any:

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

Dividend

Your Directors have not recommended any dividend for the financial year under review.

Share Capital

As on the date of this report, the Authorised Share Capital of the Company is remained ₹. 60,000/- Crores (Rupees Sixty Thousand Crores only).

Extension u/s 96 (1) Companies Act,2013 for holding AGM after due date

Registrar of Companies, Maharashtra duly accorded approval under section 96 (1) of Companies Act,2013 for extension of time for holding AGM till two months vide its letter dated 20.10.2021.

I. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Directors:

During the financial year 2020-21 (from 01.04.2020 to 31.03.2021), the following changes in the composition of the Board of Directors of the Company have taken place:

Sr. No.	Name of the Director	Date of Appointment	Date of Cessation
1.	Shri Aseem Kumar Gupta, IAS	17-01-2020	01-02-2021
2	Shri Dinesh Saboo Director (Operations)	01-11-2018	06-10-2020
3	Shri Satish Chavan Director (Commercial)	22-01-2018	21-01-2021
4	Shri. Pavan Kumar Ganjoo Director (Human Resource)	10-04-2019	14-12-2020
5	Mrs. Juelee Wagh Independent Director	04-06-2014	21-06-2020
6	Shri. Anil Palamwar Independent Director	03-08-2019	25-06-2020

The Board place on record sincere appreciation towards the excellent contribution made by the above directors during their tenure of Directorship.

Directors on the date of this report are as follows:

Sr. No.	Name of the Director	Designation
1.	Shri.Vijay Singhal, IAS	Chairman & Managing Director
2	Shri. Dinesh Waghmare, IAS	Principal Secretary (Energy)
3	Shri. Ravindra Sawant	Director (Finance) & CFO
4	Shri. Sanjay Taksande	Director (Operations)
5	Shri. Prasad Reshme	Director (Projects)
6	Dr. Naresh Gite	Director (Human Resource)
7	Shri. Yogesh Gadkari	Director (Commercial) Add. Charge
8	Mrs. Jyoti Nitin Chimte	Non-Executive Director

(B) <u>Declaration of Independent Directors:</u>

The Board of Directors declares that the Independent Director / Non-Executive Director for F.Y. 2020-21 Mrs. Neeta Sanjay Jog were:

(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 percent, 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 percent or more of the total voting power of the company; or

(f) who possesses such other qualification as may be prescribed.

(C) Key Managerial Personnel

During the financial year 2020-21 (from 01.04.2020 to 31.03.2021), the following are the Key Managerial Personnel of the Company as per the provisions of the Section 203 of the Companies Act, 2013:

Sr. No.	Name of the Key Managerial Personnel	Designation	Date of Appointment	Date of Cessation
1	Shri. Vijay Singhal, IAS	Chairman & Managing Director	01-02-2021	N.A.
2	Shri Aseemkumar Gupta, IAS	Chairman & Managing Director	17-01-2020	01-02-2021
3	Shri. Ravindra Sawant	Director (Finance) & CFO	01-07-2020	N.A
4	Mrs Swati Vyavhare	Director (Finance) Add. Charge	03-02-2020	01-07-2020
5	Shri. Satish Chavan	Director (Operations) Add. Charge	06-10-2020	22-01-2021
6	Shri. Satish Chavan	Director (Commercial)	22-01-2018	22-01-2021
7	Shri. Satish Chavan	Director (Commercial) Add. Charge	21-01-2021	18-02-2022
8	Shri Dinesh Saboo	Director (Operations)	01-11-2018	06-10-2020
9	Shri. Bhalchandra Khandait	Director (Projects)	15-01-2019	N.A
10	Shri. Pavan Kumar Ganjoo	Director (Human Resource)	10-04-2019	14-12-2020
11	Shri. Bhalchandra Khandait	Director (Human Resource) Add. Charge	14-12-2020	N.A
12	Mrs. Anjali Gudekar	Company Secretary	17-03-2012	N.A

(D) Meetings:

(i) Board Meetings: During the financial year 2020-21 (01-04-2020 to 31-03-2021) under review, Board Meetings were held on the following dates:

Sr. No.	Date of Board Meeting
1	06.08.2020
	10.08.2020
2	18.09.2020
3	16.10.2020
4	11.12.2020
5	28.12.2020
6	25.03.2021

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Notifications issued by Ministry of Corporate Affairs (MCA) from time to time. Pursuant to MCA Circular No. 11/2020 dated 24.03.2020, in order to reduce the compliance burden and COVID -19 risks, the mandatory requirement of holding the Board Meetings of the Company within the interval provided as per Section 173 of the Companies Act, 2013, stands extended by further period of 60 days till next two quarters. Accordingly, the gap between the two Board Meetings may extend to 180 days.

Board Meeting attendance of Directors during financial year 2020-21

Name of the Director	No. of Board Meetings held	
	Held	Attended
Shri Vijay Singhal, IAS - Chairman & Managing Director (from 01/02/2021 to till date)	1	1
Shri Dinesh Waghmare, IAS - Principal Secretary (Energy) (From 01/02/2021 to till date)	1	1
Shri Aseem Kumar Gupta, IAS - Chairman & Managing Director (From 17/01/2020 to 01/02/2021)	5	5
Shri Ravindra Sawant - Director (Finance) (From 01/07/2020 to till date)	6	6
Shri. Satish Chavan – Director (Operations) Add Charge (From 06/10/2020 to 22/01/2021	2	2
Shri Dinesh Saboo – Director (Operations) (From 01/11/2018 to 06/10/2020	2	2
Shri Bhalchandra Khandait - Director (Projects) (From 15/01/2019 to 14/01/2022	6	6
Shri. Satish Chavan – Director (Commercial) From 22/01/2018 to 21/01/2021	5	4
Shri. Pavan Kumar Ganjoo - Director (HR) From 10/04/2019 to 14/12/2020)	4	4
Shri. Bhalchandra Khandait – Director (HR) Add Charge (From 14/12/2020 to 13/01/2022)	2	2

(ii) COMMITTEE OF THE BOARD OF DIRECTORS

The Company has the following Committees of the Board:

Audit Committee (AC)

The Audit Committee was constituted on 07.09.2007 pursuant to provisions of (Section 292A of the Companies Act, 1956) Section 177 of the Companies Act, 2013 and approval of the Board of Directors of the Company.

During the financial year 2020-21 under review, no Audit Committee Meetings were held. The scope and terms of reference of the Audit Committee is in accordance with the Act.

Nomination and Remuneration Committee (NRC)

Pursuant to Ministry of Corporate Affairs (MCA) notification dated 13.07.2017, Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, was substituted as under:

Committees of the Board - The Board of directors of every listed company and a company covered under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 shall constitute an 'Audit Committee' and a 'Nomination and Remuneration Committee of the Board'."

As per the abovementioned amendment in 2017, MSEDCL being a wholly owned subsidiary of MSEB Holding Company Limited is not required to appoint Independent Directors and consequent to amendment in Rule 6, MSEDCL is not required to constitute an Audit Committee and Nomination and Remuneration Committee of the Board as Rule 4 related to appointment of Independent Directors is not applicable to wholly owned subsidiary Company.

Corporate Social Responsibility Committee (CSR):

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee consisted of following members during the FY 2020-21:

Sr. No.	Name of Committee Members	Designation
1	Shri. Sanjay Taksande (w.e.f. 19.03.2021 till date of report)	Director (Operations)
2	Shri. Ravindra Sawant (From 01.07.2020 till date of this report)	Director (Finance)
3	Mrs. Swati Vyavahre (from 03.02.2020 till 01.07.2020)	Director (Finance) Add. Charge
4	Shri. Bhalchandra Khandait (from 14.12.2020 to 13.01.2022)	Director (HR) Add. Charge
5	Dr. Naresh Gite (from 13.01.2022 till date of report)	Director (HR)

As per the provision of Section 135(5) of the Companies Act, 2013, the Board is required to spent at least 2% of average net profit of the Company made during the three immediately preceding financial years. As per the Financial Records there is no average net profit after set off of accumulated loss of prior years.

The Annual Report on CSR activities is attached as **Annexure A.**

Details of Subsidiary Companies

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiaries is given as **Annexure B.**

- **STATUTORY AUDITORS:**

  Pursuant to the provision of Section 141 of the Companies act 2013, the Comptroller & Auditor General of India (CAG), New Delhi, had appointed the following Chartered Accountants as the Statutory Auditors of the Company for F.Y. 2020-21.

  1) M/s Shah & Taparia,

  2) M/s C N K & Associates LLP,

  3) G M J & Co.

  Implementation of Indian Accounting Standard:

  The Financial Statement of MSEDCL are prepared in accordance with the provisions of Companies Act,2013 and as per Ministry Of Corporate Affairs (MCA) Press Release dated 02.01.2015 regarding revised Road Map for implementation of Indian Accounting Standards (Ind-AS) converged with International Financial Reporting Standards (IFRS).

- **COST AUDITORS:**

  Pursuant to Section 148 of the Companies Act, 2013, following Cost Accountants were appointed as the Cost Auditors of the Company for F.Y. 2019-20.

  1) M/s. M.R. Pandit & Co., Aurangabad

  2) Anil G. Anikhandi & Co, Kolhapur

- **Reserves:**

  The net movement in the major reserve of the Company for the financial year 2020-21 & 2019-20 the previous year are as follows:

(₹. in lakhs)

Particulars	F.Y. 2019-20	F.Y. 2020-21
Reserve& Surplus	(23,43,311.20)	(24,74,926.95)
Surplus in Statement of Profit and Loss	58,448.40	(1,31,615.75)

❖ **AUDITOR'S REPORT:**

The Auditors' Report does contain qualifications. The replies to the qualifications of the Statutory Auditors are appended as **Annexure 'D'** to Annual Accounts.

In terms of Section 143 (6) of the Companies Act, 2013 the comments of the Comptroller and Auditor General of India (CAG) on the accounts of the Company for the year ended March 31, 2021 is enclosed herewith as **Annexure 'E'.**

❖ **SECRETARIAL AUDIT REPORT:**

In terms of Section 204 of the Act and Rules made there under Shri. Ajit Sathe, Practicing Company Secretary has been appointed as Secretarial Auditors of the Company. Report of Secretarial Audit is enclosed as **Annexure 'F'.**

❖ **INTERNAL AUDIT & CONTROL:**

As per the provision of section 138 of Companies Act, 2013 read with Rule 13 (1) (b) & Company (Accounts) Rule 2014, the Company has conducted Internal Audit through appointing External Chartered Accounting Firms empaneled with Company. The scope and extent of Internal Audit encompasses Internal Audit and review of transactions and Billing Audit. The Internal Auditor furnishes his report to the Company, along with the comments of the company, which shall be placed before the Audit Committee on an ongoing basis to improve efficiency in operations.

❖ **Internal Financial Controls over Financial Reporting:**

During the F.Y. 2020-21, the Company has appointed M/s Gokhale & Sathe, Chartered Accountant, Mumbai to carry out the assignment for evaluation of internal financial controls over financial reporting and submission of the report thereon. Accordingly, the Firm studied the existing important processes, procedure and Policies during the F.Y. 2020-21 and identified the gaps, which needs to be controlled and operating effectiveness of its controls. The Firm submitted the Report Documenting the RCM- Risk and Control Matrix System, existing at MSEDCL and RCM Testing for the F.Y. 2020-21.

❖ **RISK MANAGEMENT POLICY:**

The Company is in process to determine and implement the risk management policy for the Company. Risk Management Committee is constituted vide approval of the Board of Directors.

❖ **EXTRACT OF ANNUAL RETURN:**

Copy of extract of Annual Returns is enclosed as **Annexure'G'**.

❖ **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.

- **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.

- **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.

- **Related Party Transactions:**

  During the year under review, there were no contract or arrangements entered into by the Company in accordance with provisions of section 188 of the Companies Act, 2013. During the year under review, MCA Notification dated 02.03.2020 is applicable to Company being Government Company.

- **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 9th December, 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 women employee.

  Company had formed a Committee for prevention of 'Sexual Harassment of Women at workplace' at field and Head office level.

  Technology absorption : N.A.

  Foreign exchange earnings and Outgo :

  Foreign Exchange earned: Nil (2019-20 – Nil) (2020-21 –Nil)

  Foreign Exchange outgo : Nil (2019-20 – Nil) (2020-21 –Nil)

- **DIRECTORS' RESPONSIBILITY STATEMENT:**

  As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

  I. In the preparation of the annual accounts, the applicable accounting standards have been followed by the Company along with proper explanation relating to material departures;

  II. The Directors have selected such accounting policies and applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year 2020-21 and the loss of the Company for that year;

III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. The Directors have prepared the annual accounts on a going concern basis.

❖ **FIXED DEPOSITS:**

The Company has not invited/received any Fixed Deposits from the Public during the year under report.

❖ **PARTICULARS OF EMPLOYEES:**

None of the employees of the Company was in receipt of remuneration falling under the purview of the provisions of Companies (Particulars of Employees) Rules, 1975 as amended. Hence no information pertaining to the same has been provided.

❖ **ACKNOWLEDGEMENTS:**

The Directors express their sincere thanks and gratitude to the Government of Maharashtra, Ministry of Power, Government of India, New Delhi, esteemed Consumers, Maharashtra Electricity Regulatory Commission, M/s Rural Electrification Corporation Ltd., M/s Power Finance Corporation Ltd., the Bankers, Auditors, Suppliers and other Business Associates for their continued co-operation, support and patronage. The Board also places on record its appreciation for the understanding and support extended by the employees at all levels.

For and on behalf of the Board

Chairman and Managing Director

Place: Mumbai

Date: 31st MARCH, 2022

Annexure "A"

Annual Report on Corporate Social Responsibility (CSR) Activities

The detailed policy is available on the Company Website at: **https://www.mahadiscom.in/**

Composition of the CSR Committee:

Sr. No.	Name of the Committee Members	Designation
1.	Shri. Sanjay Taksande (w.e.f. 19.03.2021)	Director (Operations)
2.	Shri. Ravindra Sawant (From 01.07.2020)	Director (Finance)
3.	Shri. Bhalchandra Khandait (from 14.12.2020)	Director (HR) Add. Charge

Computation of profit as per section 198 of Companies Act 2013 for FY 2020-21

In ₹.

Particulars	FY 2018-19	FY 2017-18	FY 2016-17
Profit/ loss as per section 198	(46,092.99)	1,65,895.76	1,62,786.58
Accumulated loss	(6,67,121.83)	(8,33,017.59)	(9,95,804.16)
Profit / loss after set off of losses	(7,13,214.82)	(6,67,121.83)	(8,33,017.59)
Total profit / loss of three years preceding to FY 2019-20	(7,13,214.82)	-	-

Prescribed CSR Expenditure (two percent of the Average Net Profit as detailed above): **Not Applicable**

Details of CSR spend for the financial year:

A. Total amount spent for the financial year: **Not Applicable**

B. Amount unspent, if any: **Not Applicable**

C. Manner in which the amount spent during the financial year is detailed below: **Not Applicable**

Sr. No.	CSR Project / Activities identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. State in which project or pragrams were undertaken	Amount Budgeted (in ₹.)	Amount Spent (in ₹.)	Cumulative Spent upto Reporting period (in ₹.)	Amount Spent: Direct or through Implementing Agency (in ₹.)
Not Applicable							

Annexure - B

STATEMENT RELATING TO SUBSIDIARY COMPANY:

In accordance with the General Circular No: 2/2011 dated 8 February, 2011,issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit and Loss and other documents of the subsidiary are not being attached with the Annual Accounts of the Company. This Annual Report contains Consolidated Financial Statement of the Company and its subsidiary in accordance with the relevant Accounting Standards and the same has been duly audited by Statutory Auditors. The annual Accounts of the subsidiary company and related information will be made available to the shareholders of the Company and its subsidiary company on request and will also be kept open for inspection by the shareholders at the Registered Office of the Company and the subsidiary.

Name of Subsidiary Company	Aurangabad Power Company Limited (in ₹.) FY 2020-21
Issued & Subscribed Capital	5,00,000
Reserves	(6,24,68,366)
Total Assets	12,12,186
Total Liabilities	6,31,80,552
Investments	-
Turnover	70,241
Profit/(Loss)before Tax	(62,909)
Provision for Tax	-
Profit/(Loss) After Tax	(62,909)
Proposed Dividend	-

ANNEXURE "C"

REGION WISE/ CIRCLE WISE STATEMENT OF PROFIT AND LOSS ACCOUNTS FOR F.Y. 2020-21

PARTICULARS	AURANGABAD REGION																
	AURANGABAD ZONE				JALGAON ZONE				LATUR ZONE				NANDED ZONE				
	670	710	715	AURANGABAD ZONE	580	586	590	JALGAON ZONE	680	700	725	LATUR ZONE	690	696	720	NANDED ZONE	AURANGABAD REGION
	AURANGABAD RURAL	AURANGABAD URBAN	JALNA		DHULE	NANDURBAR	JALGAON		LATUR	OSMANABAD	BEED		NANDED	HINGOLI	PARBHANI		
Revenue form Sale of Power	166031.99	147877.31	203332.81	517242.11	102196.07	50037.24	216336.57	368569.89	104585.15	73633.81	91649.47	269868.43	106389.89	44101.66	57169.00	207660.55	1363340.98
Other Income	16503.19	12786.81	12803.16	42093.17	12652.75	7693.12	24564.76	44910.63	13637.86	12201.07	15315.72	41154.65	15052.13	7708.41	10155.14	32915.68	161074.12
Total	182535.19	160664.12	216135.97	559335.28	114848.82	57730.37	240901.34	413480.52	118223.01	85834.88	106965.19	311023.08	121442.02	51810.07	67324.14	240576.22	1524415.10
Power Purchase	143702.97	95216.66	174748.63	413668.26	127540.63	70245.20	215973.18	413759.01	103140.07	108986.72	145004.87	357131.67	115088.57	55929.99	80957.95	251976.51	1436535.45
Employee Cost	13278.57	6428.92	7040.64	26748.12	10033.12	5997.69	26587.62	42618.44	13928.85	8876.65	12331.21	35136.70	16449.86	4860.48	6251.99	27562.34	132065.61
Repairs & Maintainance Exp.	2699.65	949.16	3101.50	6750.31	635.52	1465.14	3785.97	5886.64	2202.06	1981.60	3542.74	7726.41	3337.28	1311.88	1488.75	6137.91	26501.26
Admin & General Exp.	1307.00	604.37	465.98	2377.34	689.19	448.10	1741.79	2879.09	926.64	473.85	780.22	2180.71	1043.36	271.29	409.76	1724.41	9161.55
Finance	12099.75	6901.86	12878.72	31880.33	9719.45	7006.13	19753.88	36479.46	11138.19	9803.47	12919.76	33861.42	12407.74	5816.51	7416.39	25640.64	127861.86
Dep	9138.62	2313.20	5988.16	17439.98	5645.41	5623.64	11701.19	22970.24	7571.75	6776.67	9478.73	23827.16	8997.70	5102.22	5365.80	19465.72	83703.10
Other Expe	19979.44	-3092.26	29552.74	46439.92	13999.02	9358.84	29686.32	53044.18	15205.79	13635.90	15945.97	44787.65	13404.81	8873.49	6005.28	28283.58	172555.33
Total	202206.00	109321.91	233776.36	545304.27	168262.35	100144.75	309229.95	577637.05	154113.36	150534.86	200003.50	504651.72	170729.31	82165.88	107895.93	360791.11	1988384.15
Surplus/ Deficit	-19670.81	51342.21	-17640.39	14031.01	-53413.53	-42414.38	-68328.62	-164156.53	-35890.35	-64699.98	-93038.31	-193628.64	-49287.29	-30355.81	-40571.79	-120214.88	-463969.05
Distribution Loss%	0.19%	0.21%	0.14%	17.54%	0.18%	0.36%	0.27%	26.18%	0.18%	0.19%	0.31%	23.43%	0.27%	0.21%	0.26%	25.32%	22.71%
Input Unit MU's	3245.26	2163.76	3844.08	9253.10	1972.12	1387.38	4871.44	8230.93	2190.51	1989.57	2787.90	6967.98	2614.22	1210.84	1644.54	5469.60	29921.62
Open Access Input Mu's	2.17	14.73	0.00	16.90	1.55	0.00	15.70	17.25	0.00	0.15	0.00	0.15	0.00	0.00	0.00	0.00	34.30
Sale Unit MU's	2637.78	1701.03	3291.29	7630.10	1613.16	888.08	3574.93	6076.18	1798.43	1620.42	1916.40	5335.26	1917.38	957.06	1210.23	4084.66	23126.19
Open Access Unit Sale Mu's	1.96	13.07	0.00	15.03	1.40	0.00	13.72	15.12	0.00	0.14	0.00	0.14	0.00	0.00	0.00	0.00	30.29
ABR	6.93	9.52	6.57	7.35	7.13	6.50	6.76	6.82	6.57	5.30	5.58	5.83	6.33	5.41	5.56	5.89	6.60
ACOS	7.67	6.48	7.10	7.16	10.44	11.28	8.68	9.53	8.57	9.29	10.44	9.46	8.90	8.59	8.92	8.83	8.61
GAP	-0.75	3.04	-0.54	0.18	-3.31	-4.78	-1.92	-2.71	-2.00	-3.99	-4.85	-3.63	-2.57	-3.17	-3.35	-2.94	-2.01

PARTICULARS	KONKAN REGION																	
	BHANDUP ZONE				BHANDUP ZONE	KALYAN ZONE				KALYAN ZONE	NASHIK ZONE			NASHIK ZONE	RATNAGIRI ZONE		RATNAGIRI ZONE	KONKAN REGION
	525	537	565	577		540	550	558	2050		570	600	607		560	705		
	PEN	BHIWANDI	VASHI	THANE		VASAI	KALYAN - I	KALYAN -II	PALGHAR		AHMEDNAGAR	MALEGAON	NASHIK U		RATNAGIRI	SINDHU DURG		
Revenue form Sale of Power	295813.77	164981.8	458945.86	258202.93	1177944.36	217915.55	133308.55	173040.85	164703.69	688968.64	262672.07	121695.7	347101.85	731469.63	77015.22	26418.22	103433.45	2701816.07
Other Income	22116.69	3924.8	13089.41	16502.09	55632.99	9065.12	6023.4	8305.08	8062.93	31456.53	33291.2	16719.56	18822.41	68833.17	4211.2	2037.25	6248.45	162171.14
Total	317930.46	168906.6	472035.27	274705.02	1233577.35	226980.67	139331.95	181345.93	172766.62	720425.17	295963.27	138415.27	365924.26	800302.8	81226.42	28455.47	109681.9	2863987.22
Power Purchase	248865.93	129559.2	234813.17	141904.95	755143.24	128886.12	77008.63	115755.85	117979.35	439629.94	320555.19	131187.63	239729.76	691472.58	44998.83	19631.96	64630.79	1950876.56
Employee Cost	10913.96	387.49	12153.87	15559.04	39014.36	7953.12	10474.38	9179.05	5214.12	32820.66	21149.79	12074.4	25155.15	58379.34	10643.67	5556.51	16200.18	146414.53
Repairs & Maintainance Exp.	8809.2	554.91	2879.81	2924.21	15168.14	262.94	812.53	995.23	1270.97	3341.67	5147.7	2982.64	3577.73	11708.07	3405.04	1077.35	4482.38	34700.26
Admin & General Exp.	2064.65	150.12	3018.55	3774.39	9007.72	2122.67	1690.41	1713.26	1350	6876.34	2589.17	1655.86	2313.48	6558.51	1253.63	733.97	1987.61	24430.17
Finance	18644.54	9042.02	18633.31	28568.9	74888.78	12224.07	8639.13	9771.53	12365.29	43000.03	24402.34	18781.18	15330.82	58514.34	6382.25	2871.35	9253.6	185656.75
Dep	4910.07	299.62	9763.19	11526.79	26499.67	5034.37	4818.27	2758.2	3016.2	15627.04	15199.03	6432.01	12962.1	34593.14	5045.57	2555.12	7600.69	84320.55
Other Expe	-20272.78	39386.79	-21611.32	-12083.38	-14580.69	-943.01	-2732.85	-9098.56	-881.66	-13656.09	30018.84	37405.59	20105.54	87529.97	-3575.24	-974.23	-4549.47	54743.73
Total	273935.59	179380.15	259650.57	192174.91	905141.22	155540.27	100710.5	131074.58	140314.26	527639.6	419062.06	210519.31	319174.57	948755.95	68153.75	31452.04	99605.78	2481142.55
Surplus/Deficit	43994.87	-10473.55	212384.69	82530.12	328436.13	71440.4	38621.46	50271.36	32452.36	192785.57	-123098.79	-72104.04	46749.68	-148453.15	13072.68	-2996.56	10076.11	382844.67
Distribution Loss%	0.04%	0.13%	0.07%	0.17%	8.87%	0.15%	0.11%	0.15%	0.11%	13.20%	0.22%	0.28%	0.11%	18.95%	0.13%	0.23%	15.89%	13.49%
Input Unit MU's	5651.78	2946.49	5339.73	3227.04	17165.04	2930.94	1751.22	2632.48	2682.03	9996.67	6348.18	2858.34	5252.7	14459.22	1020.68	399.61	1420.29	43041.21
Open Access Input Mu's	2858.79	0	135.65	49.15	3043.59	0	3.39	113.41	648.96	765.76	25.57	0.87	55.67	82.1	20.35	0	20.35	3911.80
Sale Unit MU's	5409.24	2555.44	4986.39	2691.71	15642.79	2500.82	1551.48	2244.44	2380.33	8677.07	4980.2	2051.75	4686.73	11718.69	884.95	309.66	1194.61	37233.15
Open Access Unit Sale Mu's	2650.5	0	119.11	38.59	2808.2	0	3.04	104.8	618.99	726.83	21.91	0.65	42.96	65.52	17.51	0	17.51	3618.07
ABR	11.52	6.61	9.7	10.35	9.61	9.08	9	8.48	9.81	9.06	5.97	6.75	7.88	6.87	9.36	9.19	9.32	8.52
ACOS	9.93	7.02	5.33	7.24	7.05	6.22	6.5	6.13	7.97	6.64	8.45	10.26	6.87	8.14	7.86	10.16	8.46	7.38
GAP	1.59	-0.41	4.36	3.11	2.56	2.86	2.49	2.35	1.84	2.42	-2.48	-3.52	1.01	-1.27	1.51	-0.97	0.86	1.14

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

PARTICULARS	NAGPUR REGION																	
	AKOLA ZONE			AKOLA ZONE	AMRAVATI ZONE		AMRAVATI ZONE	CHANDRAPUR ZONE		CHANDRAPUR ZONE	GONDIYA ZONE		GONDIYA ZONE	NAGPUR ZONE			NAGPUR ZONE	NAGPUR REGION
	610	617	618		620	630		640	730		656	665		635	650	660		
	AKOLA	BULDHANA	WASHIM		AMARAVATI	YEOTMAL		CHANDRAPUR	GADCHIROLI		GONDIYA	BHANDARA		NAGPUR U	NAGPUR R	WARDHA		
Revenue form Sale of Power	70132.29	94492.21	40358.67	**204983.18**	122095.43	104149.26	**226244.69**	116817.21	36696.32	**153513.53**	43455.86	51908.93	**95364.8**	277530.83	153653.29	100992.44	**532176.56**	**1212282.76**
Other Income	7266.87	12749.82	5522.51	**25539.2**	13566.17	13233.07	**26799.25**	5905.7	4625.55	**10531.25**	4259.78	4202.9	**8462.67**	11150.59	10103.09	5986.58	**27240.26**	**98572.63**
Total	**77399.16**	**107242.04**	**45881.18**	**230522.38**	**135661.61**	**117382.34**	**253043.94**	**122722.91**	**41321.87**	**164044.78**	**47715.64**	**56111.83**	**103827.47**	**288681.43**	**163756.38**	**106979.02**	**559416.82**	**1310855.4**
Power Purchase	58684.55	87709.75	42133.6	**188527.9**	98213.39	93062.76	**191276.15**	75851.67	37003.28	**112854.95**	39346.72	44506.65	**83853.37**	150015.65	105257.84	73154.22	**328427.7**	**904940.07**
Employee Cost	11188.74	11665.08	4963.09	**27816.91**	18524.68	11797.46	**30322.14**	10545.66	6926.12	**17471.78**	6009.38	6399.74	**12409.12**	12921.84	16644.89	8758.33	**38325.06**	**126345.01**
Repairs & Maintainance Exp.	2281.11	2776.53	1275.9	**6333.55**	3375.66	3835.7	**7211.36**	1181.24	1663.21	**2844.44**	1045.19	1040.56	**2085.75**	1326.76	1997.83	1495.91	**4820.51**	**23295.61**
Admin & General Exp.	1380.42	1332.16	559.12	**3271.69**	2160.07	1808.68	**3968.74**	1402.43	1156.02	**2558.45**	991.25	1021.71	**2012.96**	2253.28	1980.45	1404.26	**5637.99**	**17449.83**
Finance	7997.02	10356.94	4481.57	**22835.53**	13499.73	11224.91	**24724.64**	8196.1	5929.27	**14125.38**	4574.96	5173.95	**9748.91**	12778.15	11056.91	7856.81	**31691.86**	**103126.32**
Dep	6563.89	9753.76	4732.57	**21050.23**	11963.14	9486.27	**21449.41**	7633.97	5945	**13578.97**	4120.69	4892.32	**9013**	6351.48	9688.15	5744.53	**21784.16**	**86875.77**
Other Expe	4864.54	14544.31	7008.84	**26417.68**	16024.44	15202.94	**31227.38**	4032.3	2517.81	**6550.11**	2486.16	2289.13	**4775.29**	3161.56	14198.57	19272.39	**36632.51**	**105602.98**
Total	**92960.28**	**138138.52**	**65154.69**	**296253.49**	**163761.11**	**146418.72**	**310179.83**	**108843.38**	**61140.7**	**169984.08**	**58574.35**	**65324.05**	**123898.4**	**188808.72**	**160824.63**	**117686.44**	**467319.79**	**1367635.59**
Surplus/Deficit	**-15561.12**	**-30896.49**	**-19273.5**	**-65731.11**	**-28099.5**	**-29036.38**	**-57135.88**	**13879.54**	**-19818.83**	**-5939.29**	**-10858.71**	**-9212.23**	**-20070.94**	**99872.7**	**2931.74**	**-10707.42**	**92097.03**	**-56780.19**
Distribution Loss%	0.23%	0.22%	0.29%	**24.09%**	0.15%	0.18%	**16.67%**	0.08%	0.22%	**12.41%**	0.16%	0.11%	**13.46%**	0.09%	0.08%	0.06%	**8.31%**	**14.48%**
Input Unit MU's	1332.98	1994.21	957.69	**4284.87**	2203.66	2086.67	**4290.33**	1602.13	650.85	**2252.99**	894.69	911.15	**1805.84**	3407.73	2265.25	1461.39	**7134.36**	**19768.38**
Open Access Input Mu's	0	0	0	**0**	0.13	0	**0.13**	0	0	**0**	0	2.45	**2.45**	3.88	146	1.59	**151.47**	**154.05**
Sale Unit MU's	1020.29	1556.65	675.85	**3252.8**	1865.06	1710.07	**3575.13**	1467.04	506.41	**1973.45**	753.19	809.49	**1562.68**	3092.72	2082.13	1366.8	**6541.64**	**16905.7**
Open Access Unit Sale Mu's	0	0	0	**0**	0.08	0	**0.08**	0	0	**0**	0	2.04	**2.04**	2.42	138.8	1.43	**142.65**	**144.78**
ABR	7.59	6.89	6.79	**7.09**	7.27	6.86	**7.08**	8.37	8.16	**8.31**	6.34	6.95	**6.65**	9.34	8.43	7.84	**8.74**	**7.82**
ACOS	9.11	8.87	9.64	**9.11**	8.78	8.56	**8.68**	7.42	12.07	**8.61**	7.78	8.09	**7.94**	6.11	8.28	8.62	**7.3**	**8.16**
GAP	-1.53	-1.98	-2.85	**-2.02**	-1.51	-1.7	**-1.6**	0.95	-3.91	**-0.3**	-1.44	-1.14	**-1.29**	3.23	0.15	-0.78	**1.44**	**-0.34**

PARTICULARS	PUNE REGION											
	BARAMATI ZONE			BARAMATI ZONE	KOLHAPUR ZONE		KOLHAPUR ZONE	PUNE ZONE			PUNE ZONE	PUNE REGION
	529	530	575		500	520		510	548	557		
	BARAMATI	SOLAPUR	SATARA		KOLHAPUR	SANGLI O&M		PUNE RURAL	GANESHKHIND	RASTAPETH		
Revenue form Sale of Power	313840.85	257379.26	186733.49	**757953.6**	359324.74	185086.67	**544411.41**	367044.4	381177.19	334076.01	**1082297.6**	**2384662.61**
Other Income	21486.95	36874.05	14091.63	**72452.63**	17636.81	17272.36	**34909.18**	20138.11	14019.18	12974.15	**47131.45**	**154493.25**
Total	**335327.8**	**294253.31**	**200825.12**	**830406.23**	**376961.55**	**202359.04**	**579320.58**	**387182.51**	**395196.37**	**347050.16**	**1129429.04**	**2539155.86**
Power Purchase	266727.03	326059.45	246687.71	**839474.19**	272785.56	248782.02	**521567.59**	240904.06	197059.13	173782.67	**611745.86**	**1972787.63**
Employee Cost	10330.15	19744.92	15583.58	**45658.65**	25588.46	17999.71	**43588.17**	11696.8	14916.01	16011.25	**42624.06**	**131870.89**
Repairs & Maintainance Exp.	4110.71	5361.53	3152.22	**12624.47**	2360.81	2687.78	**5048.6**	3001.06	4307.79	3286.59	**10595.43**	**28268.49**
Admin & General Exp.	1159.76	1766.03	1623	**4548.8**	2251.33	1826.11	**4077.44**	1440.97	2576.55	2492.75	**6510.27**	**15136.51**
Finance	19649.98	26093.15	15833.64	**61576.76**	21469.4	16784.93	**38254.33**	20681.27	19395.26	15658.25	**55734.78**	**155565.87**
Dep	9856.14	14876.42	10406.03	**35138.59**	11004.58	8289.88	**19294.46**	10405.13	10659.14	9057.34	**30121.61**	**84554.66**
Other Expe	27634.15	22619.05	29305.69	**79558.88**	52875.47	36081.82	**88957.3**	8308.55	-16390.69	-15750.36	**-23832.5**	**144683.68**
Total	**339467.92**	**416520.56**	**322591.87**	**1078580.34**	**388335.62**	**332452.26**	**720787.88**	**296437.83**	**232523.18**	**204538.49**	**733499.51**	**2532867.73**
Surplus/Deficit	**-4140.12**	**-122267.24**	**-121766.75**	**-248174.11**	**-11374.07**	**-130093.23**	**-141467.29**	**90744.68**	**162673.19**	**142511.67**	**395929.53**	**6288.13**
Distribution Loss%	0.12%	0.17%	0.14%	**14.81%**	0.07%	0.16%	**10.27%**	0.1%	0.09%	0.09%	**9.32%**	**11.76%**
Input Unit MU's	5316.26	6459.85	3064.9	**14841.01**	4892.24	3341.46	**8233.69**	5043.46	4478.91	3951.18	**13473.55**	**36548.26**
Open Access Input Mu's	93.08	80.74	23.58	**197.4**	70.33	31.81	**102.14**	48.92	135.29	116.51	**300.72**	**600.26**
Sale Unit MU's	4661.28	5348.63	2632.7	**12642.61**	4569.58	2818.86	**7388.45**	4549.84	4077.12	3590.37	**12217.33**	**32248.38**
Open Access Unit Sale Mu's	83.71	76.57	19.3	**179.58**	60.99	27.73	**88.72**	40.76	113	98.84	**252.6**	**520.9**
ABR	7.33	5.58	7.68	**6.66**	8.36	7.25	**7.94**	8.59	9.97	9.94	**9.44**	**8**
ACOS	7.42	7.9	12.34	**8.65**	8.61	11.91	**9.87**	6.57	5.87	5.86	**6.13**	**7.98**
GAP	-0.09	-2.32	-4.66	**-1.99**	-0.25	-4.66	**-1.94**	2.01	4.1	4.08	**3.31**	**0.02**

Annexure -F

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021
[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 DISTRIBUTION COMPANY LIMITED

Prakashgad Plot No G-9, Anant Kanekar Marg,

Bandra (East), Mumbai - 400051

I, Ajit Y. Sathe, Proprietor of A. Y. Sathe & Co., Practicing Company Secretaries, Mumbai, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (CIN: U40109MH2005SGC153645)** (hereinafter called as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also, the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs due to the spread of the COVID-19 pandemic; I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('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 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

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

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

(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 an 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 (Share Based Employee Benefits) Regulations, 2014;
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:

I. The Electricity Act, 2003

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

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

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

Under Companies Act, 2013:

1) The Company has not appointed Woman Director on the Board during a period 22/06/2020 upto 24/03/2021 as required under Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.
2) During the period from 01/04/2020 to 01/07/2020, the CSR Committee had only Two members instead of Three members as required under Section 135(1) 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. 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 except as mentioned above.

Adequate notice is given to all directors to schedule the board meetings, agenda, 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, the Company has passed Special Resolutions at the Extra-Ordinary General Meeting of the Company held on 10th August, 2020, in pursuance to Section 180(1)(c) of the Companies Act, 2013 for increasing borrowing limits from ₹. 45,000 Crore to ₹. 55,000 Crore.

I further report that, during the Audit Period, other than the above, there were no instances of the following:

i) Public / preferential issue of shares / debentures / sweat equity;

ii) Redemption / buy-back of securities;

iii) Merger / amalgamation / reconstruction, etc.

iv) Foreign technical collaborations.

For A. Y. Sathe & Co

Company Secretaries

CS Ajit Sathe

(Proprietor)

FCS No. 2899; COP No. 738

UDIN: F002899C003224601

Place: Mumbai

Date: 31st March, 2022

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,

The Members,

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

Prakashgad Plot No G-9, Anant Kanekar Marg

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/ will conduct the affairs of the Company.

For A. Y. Sathe & Co
Company Secretaries

CS Ajit Sathe
(Proprietor)

FCS No. 2899; COP No. 738
UDIN: F002899C003224601

Place: Mumbai
Date: 31st March, 2022

Replies to the Secretarial Audit Report of MSEDCL F.Y. 2020-21.

Sr. No.	Secretarial audit point	Replies of management on points of Secretarial audit report
1	The Company has not appointed Women Director during the period 22.06.2020 up to 24.03.2021 as required under Section 149 of the Companies Act, 2013.	Factual Pursuant to Article 77 of the Articles of Association of the Company, the directors are appointed by MSEB Holding Company Limited (MSEBHCL). The tenure of Mrs. Juelee Milind Wagh who was appointed as Independent Director on the Board of MSEDCL was completed on 22.06.2020. Prior intimation of completion of tenure of Mrs. Juelee Wagh was submitted with MSEBHCL. As per directives of MSEBHCL vide Board Resolution No. 912/2020 dated 16.12.2020 accorded approval for the appointment of Mrs. Neeta Sanjay Jog as Non-Executive Directors on the Board of MSEDCL. Accordingly, the appointment of Mrs. Neeta Sanjay Jog was approved by the Board of Directors of MSEDCL at its Board Meeting held on 25.03.2021.
2	During the period 01.04.2020 to 01.07.2020, the CSR Committee had 2 directors instead of three directors as required under Section 135 of the Companies Act.	Factual Shri. Jaikumar Srinivasan was holding the post of Director (Finance), resigned dated 03.02.2020. As per the directives and approval accorded by competent authority, the additional charge of post of Director (Finance) was handed over to Mrs. Swati Vyavahare, Executive Director (Finance) w.e.f. 03.02.2020 AN. In capacity of holding additional charge of Director (Finance) Mrs. Swati Vyavahare was part of constitution of CSR Committee w.e.f. 03.02.2020. As per Govt of Maharashtra Order dated 15.06.2020, Shri. Ravindra Sawant was appointed as Director (Finance) MSEDCL w.e.f. 01.07.2020.

Annexure "G"

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

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	U40109MH2005SGC153645
2.	Registration Date	31.05.2005
3.	Name of the Company	Maharashtra State Electricity Distribution Company Limited
4.	Category/Sub-category of the Company	Company limited by shares State Government Company
5.	Address of the Registered office & contact details	Prakashagd, Plot No. G-9, Prof Anant Kanekar Marg, Bandra (East), Mumbai-400051
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not applicable

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

SN	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the company
1	Collection & distribution of electric energy to households, industrial, commercial and other users n.e.c.	35109	

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	Hongkong Bank Building, 3rd & 4th floor, Mahatma Gandhi Road, Fort, Mumbai-400001	U40100MH2005SGC153649	Holding company	100%	Section 2(46)
2.	Aurangabad Power Company Limited	2nd Floor, Prakashgad, Plot No. G-9, Prof. Anant Kanekar Marg, Bandra (East), Mumbai-400051	U40109MH2007SGC171852	Subsidiary company	100%	Section 2(87)

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-March-2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% 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) State Govt(s)	-----------------------As per list attached--------------------------------								
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	-------------------------------------NIL----------------------------------								
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-------------------------------------NIL----------------------------------								
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	--NIL----------------------------------								
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)									

B) Shareholding of Promoter -

SN	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	
							-	-
	---------------------- As per list attached ----------------------------							

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	---------------------------------- NIL ----------------------------------				

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:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year –				
1.	Managing Director, MSEDCL	------ As per list attached ------			
2	Managing Director, MSEBHCL/ Key Managerial Personnel				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year – There is no change in the shareholdings	No. change			

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment F.Y. 2020-21

(₹. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition	----------- As per list attached ----------			
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL F Y 2020-21

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

(in Lakhs ₹.)

Sr. No.	Particulars of Remuneration	Name of Chairman & Managing Director	Whole time Director					Total Amount
		Shri Aseemkumar Gupta, IAS	Shri Dinesh Saboo	Shri Satish Chavan	Shri Bhalchandra Khandait	Shri Jaikumar Srinivasan		
1	Gross salary		47.39	26.70	30.47	36.90		**141.46**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961							
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		As per annexure					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961							
2	Stock Option							
3	Sweat Equity							
4	Commission - as % of profit - others, specify…							
5	Others, please specify							
	Total (A)							
	Ceiling as per the Act							

B. Remuneration to other directors for F.Y. 2020-21

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors:	Nil				
	Fee for attending board committee meetings – Rs.5,000/- per Meeting					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify	----------------------- NIL -----------------------				
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD FY 2020 - 21

(in Lakhs ₹.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	--	26.7	--	**26.7**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	As per annexure		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	others, specify…	--	--	--	--
5	Others, please specify	--	--	--	--
	Total		**26.7**		**26.7**

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					

List of the Shareholders of MSEDCL as on 31.03.2021

Sr. No.	Name & Designation of Shareholders	No. of shares held	Amt. per Share	Amt. of total shares
1	Shri Vijay Singhal, IAS Chairman and Managing Director (As nominee of MSEBHCL)	10	10	100
2	Shri. Dinesh Waghmare, IAS Principal Secretary (Energy), MD MSEBHCL (As nominee of MSEBHCL)	10	10	100
3	Mr. Sunil Pimpalkhute Director (Finance) MSEBHCL (As nominee of MSEBHCL)	10	10	100
4	MSEB Holding Company Limited (As nominee of Govt. of Maharashtra)	47723984844	10	477239848440
5	Mr. Ravindra Sawant Director (Finance) MSEDCL (As nominee of MSEBHCL)	10	10	100
6	Mr. Bhalchandra Khandait Director (Projects) (As nominee of MSEBHCL)	10	10	100
7	Mr. Sanjay Taksnde, Director (Operations) (As nominee of MSEBHCL)	10	10	100
	TOTAL	**47723984904**	**10**	**477239849040**

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. FY 2020-21

(₹. in Lakhs)

	Secured Loans excluding deposits						Unsecured Loans				Deposits	Total
	REC (Proj.)	JBIC	REC (MTL)	PFC (Proj.)	PFC (IPDS)	PNB (HVDS)	MIDC	GoM	RGGVY	GoM (UDAY)		Indebtedness
Indebtedness at the beginning of the financial year												
i) Principal Amount	1404669.51	1500.05	751250.00	173152.12	76473.88	0.00	12352.18	1443.35	2394.56	99200.00	0.00	2522435.65
ii) Interest due but not paid												
iii) Interest accrued but not due												
Total (i+ii+iii)	1404669.51	1500.05	751250.00	173152.12	76473.88	0.00	12352.18	1443.35	2394.56	99200.00	0.00	2522435.65
Change in Indebtedness during the financial year												
* Addition	49745.33	0.00	250000.00	0.00	10257.64	57220.40		0.00	0.00			367223.37
* Reduction	216155.63	379.40	32500.00	51321.84	3407.67	0.00		193.16	623.70	99200.00		403781.40
Net Change	-166410.30	-379.40	217500.00	-51321.84	6849.97	57220.40	0.00	-193.16	-623.70	-99200.00	0.00	-36558.03
Indebtedness at the end of the financial year												
i) Principal Amount	1238259.21	1120.65	968750.00	121830.28	83323.85	57220.40	12352.18	1250.19	1770.86	0.00	0.00	2485877.62
ii) Interest due but not paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	2938.76	4.00	2458.32	2633.19	1677.53	0.00	0.00	0.00	6.11	0.00	0.00	9717.92
Total (i+ii+iii)	**1241197.97**	**1124.65**	**971208.32**	**124463.47**	**85001.38**	**57220.40**	**12352.18**	**1250.19**	**1776.98**	**0.00**	**0.00**	**2495595.54**

*Indebtedness including debentures (Outstanting as at the end of financial year)

Particulars	Number of Units	Nominal value per unit	Total value
Non-convertible debentures	-	-	-
Partly convertible debentures	-	-	-
Fully convertible debentures	-	-	-
Secured Loans (including interest outstanding/accrued but not due for payment) excluding deposits	-	-	24,80,216.19
Unsecured Loans (including interest outstanding/accrued but not due for payment) excluding deposits	-	-	15,379.35
Deposit	-	-	-
Total	-	-	**24,95,595.54**

Details of debentures

Class of debentures	Outstanding as at the beginning of the year	Increase during the year	Decrease during the year	Outstanding as at the end of the year
Non-convertible debentures	-	-	-	-
Partly convertible debentures	-	-	-	-
Fully convertible debentures	-	-	-	-

Securities (other than shares and debentures)

Type of Securities	Number of Securities	Nominal Value of each Unit	Total Nominal Value	Paid up Value of each Unit	Total Paid up Value
	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

***Turnover and net worth of the company (as defined in the Companies Act, 2013)**

(i) Turnover	73,71,183.42
(ii) Net worth of the Company	22,97,944.84

ANNEXURE - D
MANAGEMENT REPLIES TO THE STATUTORY AUDITOR'S REPORT FOR THE FY 2020-21

Auditors' Report	MSEDCL's Remarks
Report on the Audit of the Standalone Financial Statement : **Qualified Opinion** We have audited the Standalone Financial Statements of **Maharashtra State Electricity Distribution Company Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Qualified Opinion paragraph below (quantified to the extent possible), the aforesaid Standalone Financial Statements, read together with the matters described in the 'Emphasis of Matter' paragraph, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2021, its loss, total comprehensive income (financial performance), changes in equity and its cash flows for the year ended on that date.	No Comments
Basis for Qualified Opinion We draw attention to the matters described in **paragraphs 1 to 12** below. The effects of these matters (whether quantified or otherwise) on the Standalone Financial Statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material.	Please Refer Replies to "Audit Report Main"

Audit Report Main – referred to in our report under "Basis for Qualified Opinion" paragraph

Sr. No.	Auditor's Report	MSEDCL's Remarks
1.	**Property, Plant & Equipment (PPE), Depreciation and Impairment :**	
a)	As mentioned in Note 36(5) to the Standalone Financial Statements, due to non-availability of proper and complete records relating to date of capitalisation of PPE and Work Completion Reports, we have come across instances of non-capitalisation and/or delayed capitalisation (which is not in accordance with requirements of Ind AS 16 'Property Plant and Equipment'), with corresponding impact on depreciation. In the absence of proper audit trail, we are unable to quantify the impact arising on account of non-capitalisation/ delayed capitalization, resultant depreciation, and consequential impact, if any, on the Standalone Financial Statements for the year under audit.	There are some instances where there is delay in capitalization. The WCR and Asset creation process has been now automated and simplified during the year whereby Asset is accounted for immediately after creation of WCR. Technical WCR are generated automatically after approval of joint measurement certificate. On the basis of technical WCR, Financial WCR including employee, administration & interest cost is automatically created and same is charged on assets under construction in financial ledger. As such henceforth there will not be delay in capitalization. The capitalisation pendency is monitored at Head office level through various SAP Reports and instructions are issued to field offices accordingly. Also if assets work completion dates are earlier than Asset capitalisation date, depreciation on this differential period is provided for manually.
b)	During the year, the Company has capitalised borrowing costs amounting to ₹. 1097.45 Lakhs (F.Y 2019-20 ₹. 239.07 Lakhs, F.Y 2018-19 ₹. 755.63 Lakhs) (refer Note 33) as part of cost of PPE. Capitalisation of borrowing costs has been done without identifying qualifying assets, without considering the principles of allocating interest on general and specific borrowings, without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers. Further, the Company has capitalised employee cost and office & administrative expenses of ₹. 39,374.19 Lakhs (F.Y 2019-20: ₹. 43,158.74 Lakhs, F.Y 2018-19 ₹. 48,309.12 Lakhs) (Refer Note 30 & 32). The above expenses represent	The accounting policy in this regard is disclosed at point no.8(b) in Note -2 on "Significant Accounting Policies" as under "Interest relating to construction period in respect of acquisition of the qualifying assets is capitalized on the addition to Work in Progress during the year based on the average interest rate applicable to the loan." The Company has been following this policy of interest capitalisation consistently. The borrowing cost (the interest on loans used for capital work) is capitalized by identifying the qualifying assets. The borrowing cost is capitalized , if 1. The scheme / work is of capital nature 2. The loans for such schemes/ works have been sanctioned / obtained. 3. The work completion period of such schemes/works as per work order should be 12 months or more. As the MSEDCL is not having a separate wing for

Sr. No.	Auditor's Report	MSEDCL's Remarks
	15% of cost of additions to CWIP [Refer accounting policies on Property, Plant and Equipment as mentioned in Note 2(8)]. However, the Company does not have a practice of specifically identifying such expenses attributable to additions to CWIP/PPE. Capitalisation of these costs has been done without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers. Such capitalisation of interest, employee cost and office and administrative expenses is not in accordance with requirements of Ind AS 23 'Borrowing Costs' read with Ind AS 16 'Property, Plant & Equipment'. In the absence of sufficient and appropriate audit evidence, we are not in a position to comment on the correctness of the amounts capitalized as above. Further, employee costs, office and administrative expenses and borrowing costs have also been capitalised in earlier years on similar lines. As a result, the Property, Plant and Equipment are overstated by the amount capitalised and depreciation has also been overcharged. The impact of the same, however, cannot be ascertained and quantified.	handling capitalization and O&M activities, Departments / Staff carry out both the activities at field level & Head Office. Therefore, the company has carried out detailed exercise of identifying Employee, Administrative and general expenses directly attributable to bring the asset in the location & in the condition necessary for it to be capable of operating in the manner intended by the management, based on the data of FY 2015-16 and FY 2016-17. After carrying out the said exercise, the employee and Administrative & general expenses to be capitalized come to 13.66% in FY 2015-16, 15.36% in FY 2016-17. The same is rounded off to the nearest 15%. The Accounting policy of capitalizing @ 15% has been followed consistently during FY 2020-21. Employee cost and administrative expenses incurred during the current year are not capitalized on opening balance of Capital Work in Progress, as it is not attributable to opening CWIP. Employee costs and office & administrative expenses are capitalised on additions to CWIP during the year. Thus the capitalization of these costs is not done on interrupted projects. In the master data of the project in SAP, the percentage of funding of the project such as grant, consumer contribution, loan, internal sources etc. is updated. Thus the borrowing cost is capitalised on the project costs funded through loan only and not on government grants and consumer contribution from the project costs. Thus, Company has identified these expenses attributable to additions to CWIP or to the acquisition of fixed assets, and as such the fixed assets are not overstated in Current Financial year as well as earlier Financial years.
c)	No physical verification of Property, Plant and Equipment was conducted during the year by the management. As a result, the possible impact, if any, on the Standalone Financial Statements, based on outcome of such physical verification, if it had been conducted, could not be ascertained.	The Company has formulated policy for the physical verification of Fixed Assets during the FY 2017-18. This policy has been modified in FY 2018-19. As per the procedure, after completion of every project/work, joint measurement certification (JMC) is done. After verification, asset is created and accounted for in the books of accounts. Also, the

Sr. No.	Auditor's Report	MSEDCL's Remarks
		third party inspection is carried by reputed agencies like REC, PFC etc. after commissioning of assets. If any problem like supply interruption arises, the action to normalize the power supply is taken immediately and no asset remains unattended for a long time. The power is given continuously 24 X 7 hrs to consumers except few incidences of interruptions and the power is continuously transmitted through the distribution network which indicates that infrastructure network once created is always in service / use. Due to peculiar nature of business i.e. to supply continuous 24 X 7 hrs electricity and 100% third party inspection at the time of commissioning of new Fixed asset, physical verification of network assets i.e. plant and machinery, lines and cables and communication equipments is carried out in regular course of business.
d)	Capital Work in Progress includes Project Stock amounting to ₹. 3,11,305.18 Lakhs (F.Y 2019-20 ₹. 3,33,215.39 Lakhs, F.Y 2018- 19 ₹. 179,794.89 Lakhs) for which complete details as regards to movement during the year and the status as at 31st March 2021 for various projects has not been made available. In the absence of these details, we are unable to comment upon the consequential impact, if any, on the Standalone Financial Statements.	The WBS-wise and circle-wise details of CWIP-Project Stock amounting to ₹.3,11,305.18 lakhs showing year-wise opening balance, addition during the year, deletion during the year and closing balance were provided. There are thousands of materials in each WBS. The report for material wise movement is not readily available in SAP and hence, could not provide. Also year-end status of the project was not readily available.
e)	As stated in Note 36(12), the Company has carried out review of its assets with respect to economic performance. However detailed evaluation/working as to whether any impairment is warranted has not been made available to us. In the absence of such evaluation/working, we are unable to comment about the impact, if any, arising on account of impairment, as required to be provided under Ind AS 36 'Impairment of Assets'.	Due to regular maintenance and based on internal review and information, the Company is of the opinion that economic performance of the assets of the Company is reasonable and therefore there is no impairment as on the date of the Balance Sheet.
2. a)	**Leases :** As stated in Note no. 36(31)(ii), while recognising the lease assets (Right of Use Asset) and lease	 Ind AS 1 Presentation of Financial Statements states that Material omissions or misstatements of items

Sr. No.	Auditor's Report	MSEDCL's Remarks
	liabilities, the Company has excluded leases with lease rent payment of less than ₹. 10.00 Lakhs per month which is not in accordance with recognition criteria as specified in Ind AS 116 on Leases. In the absence of full details the impact of same on the Standalone Financial Statements cannot be ascertained.	are material if they could individually or collectively influence the economic decisions that users make on the basis of the financial statements. The Company recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, (except for leases amounting to ₹ 11 Lakhs, where rent is less than ₹ 10 lakh per month, recognised as an expense during FY 2020-21) Hence, it being not material, the Company has excluded leases with lease rent payment of less than ₹. 10 Lakhs per month, while recognising the lease assets (Right of Use Asset) and lease liabilities.
b)	In the absence of availability of adequate details, disclosures as required under Ind AS 116 have not been made	The adequate details for disclosure of 'Leases' as per IND-AS 116 will be obtained.
3.	The Company has conducted physical verification of inventories at various locations. The Company has made provision for slow moving/ non moving stock/ obsolete stock of ₹. 4,926.31 Lakhs(F.Y 2019-20 ₹. 2,444.79 Lakhs , F.Y 2018-19 ₹.2,590.22 Lakhs) based on the physical verification report. In the absence of breakup of slow moving / non moving/ obsolete stock duly reconciled with the ageing report from the system we are unable to comment on the adequacy of the provision made.	Provision for slow moving/non-moving/obsolete stock has been made on the basis of physical verification report given by Internal Auditors in FY 2020-21.
4.	**Expected Credit Loss (ECL) on Trade and Other Receivables:** As stated in Note No. 36(6)(II)(i)(a) to the Standalone Financial Statements, the Company has made provision for expected credit loss under Ind AS 109 'Financial Instruments' in respect of trade receivables. In this regard attention is drawn to the following:	
a)	The Company has made provision for ECL of ₹. 651.77 Lakhs (Computed at the normal rate applied to Trade Receivables) (2019-20 ₹. 174.60, 2018-19 ₹. Nil) instead of providing for the entire amount of ₹. 16,294.16 Lakhs (2019-20 ₹. 13,127.71 Lakhs 2018-19 ₹.11,952.41)	The company has made ECL provision on receivable amount from SND Ltd at normal rates as Final termination account in respect of SND Ltd is in progress and provisional amount payable to SND Ltd is ₹ 5,400 Lakhs (PY ₹ 5,096 Lakhs), however, the balance as per books of accounts is ₹ 16,298 lakhs.

Sr. No.	Auditor's Report	MSEDCL's Remarks
	receivable from Spanco Nagpur Discom Limited, the Distribution Franchisee (Refer Note No. 36(9)(b)).	No effect to the said termination has been given in the financial statements as at 31st March 2021. The same is shown as contingent liability.
b)	The Company has not considered trade receivables amounting to ₹. 2,34,920.00 Lakhs (F.Y 2019-20 ₹. 2,34,920.00 Lakhs, F.Y 2018-19 ₹.2,34,920 Lakhs) due from Mula Pravara Electric Co-op. Society Limited (MPECS).	MSEDCL has initiated legal proceeding for recovery of arrears of ₹ 2,34,920.00 Lakhs due from MPECS and as per the Management's opinion entire amount is recoverable and it expects no credit loss in the case of MPECS.
c)	The Company has not considered 100% ECL provision on the amount of interest (amount not ascertained) due from consumers, in whose case subsequent recognition of interest has been discontinued, following the accounting policy in respect of recognition of interest as enunciated in Note 2(5)(a)(v).	Based on the past experience, practical expedient, segmentation of customers and their aging profile the Company has calculated credit loss on Trade receivables including interest. The allowance for expected credit loss on interest arrears as on 31st March 2021 is of ₹. 5,07,561 Lakhs which comes to 47 percent of net interest.
d)	Note36(6)(II)(i)(a) relating to movement in ECL during the year. The Management has made provision for ECL on the basis of a provision matrix for various categories of consumers. Considering that there is a substantial increase in the trade receivables as a result of slow recovery following COVID 19 and that substantial amounts have been written off as bad debts in earlier years, we are unable to comment on the basis adopted for providing ECL and adequacy thereof.	The Company is catering service to around 2.85 crores consumers. These consumers are categorized into four categories for computing ECL viz. 1.Government authorities/bodies, 2. Permanent Disconnected Consumers, 3.Agricultural consumers and 4. Regular. The company has calculated ECL based on the past experience, practical expedient, segmentation of customers and their aging profile. Taking into consideration for substantial increase in the trade receivables as a result of slow recovery following COVID 19, the company has undertaken stringent recovery drive and arranged camps for resolving consumer billing issues at field level. As a result, the recovery is increasing and as such ECL provision is not increased for regular consumers. The overall ECL to the tune of 19% of receivables is provided which appears to be adequate.
	In the absence of audit trail / adequate details in respect of matters stated in paragraphs (b) to (d) above, we are not in a position to comment on the consequential impact of the same on the Standalone Financial Statements of the Company for the year under audit.	

Sr. No.	Auditor's Report	MSEDCL's Remarks
5.	**Unexplained Balances and Classification & Presentation thereof :**	
a)	The necessary data/ details pertaining to following accounts were not made available for verification during the course of audit.	These balances include very old balances in assets and liabilities. In some cases of old balances details are available and in other cases details are not readily available. These balances are either lying since trifurcation period of MSEB and /or on migration to SAP software. The detail scrutiny of assets and liabilities is in process and necessary action will be initiated after due verification. The proposal for write off / write back of old balances, if required, will be initiated where the records are not available.

(₹ In lakhs)

Sr. No.	General Ledger Code	Account Description	Assets / (Liabilities)
1	10303011	Misc. Deposit from consumers	(1662.23)
2	10303013	Other Miscellaneous Deposits	(1275.05)
3	10303015	Deposits from employees	(0.30)
4	10303019	Security Deposit Payable to Consumers	(5568.94)
5	10303020	Amount under Saubhagya Scheme	(0.52)
6	10501002	Liability for amount payable to licensees	(471.74)
7	10501007	SD from Vendor capital	(1,289.32)
8	10501008	EMD received from supplier & contractor-Capital	(762.35)
9	10501009	Security Deposits from vendor O&M	(12,245.03)
10	10501010	EMD received from supplier & contractors - O&M	(5,169.32)
11	10501011	Security Deposits – Others	(766.02)
12	10501012	Refund of amount of Non-DDF Scheme	(10,020.74)
13	10501014	Retention money from suppliers, contractors	(2,11,211.45)
14	10501015	EMD received from Customer	(114.07)
15	10501017	SD received from Customer	(191.13)
16	10700501	Deposit for temporary service connections	(1,954.24)
17	10900605	Dishonour cheque feed to consumer	(77.63)
18	10902001	Liability for Supplies/ Works & Maintenance Material Vendor	(82,733.29)
19	10902002	Payable to FI Vendor	(4,127.76)
20	10902004	Payable to Service Vendor	(29.19)
21	10902009	Payable to Employee as Vendor	(104.51)
22	10902103	Liability for expenses	(74,163.39)
23	10902107	Liabilities towards Employee Claims	(922.26)
24	10902108	Deposits from Employee	(47.04)
25	10902111	Provision for Expenses O&M	(9,465.49)
26	10902310	Deduction from salary payable to outside party	878.89
27	11000002	Provision for liability for expenses incurred by staff	(756.75)
28	10902104	Salary Payable	(42.56)
29	10902307	Life insurance Premium recovered	(25.41)
30	10902349	Recovery from Employee Salary payable to outside party	(5,681.17)
31	10902316	Welfare fund contribution recovered from employ under act	(0.94)
32	10902008	Payable to Licensees	(0.13)

<table>
<tr><th>Sr. No.</th><th>Auditor's Report</th><th>MSEDCL's Remarks</th></tr>
<tr><td></td><td>
<table>
<tr><td>33</td><td>10902116</td><td>Provision for Power Purchase Expenses</td><td>(1,61,449.21)</td></tr>
<tr><td>34</td><td>20600002</td><td>Advances to Suppliers/ Contractor- Others</td><td>34,246.13</td></tr>
<tr><td>35</td><td>20600103</td><td>Other Deposits</td><td>2,284.09</td></tr>
<tr><td>36</td><td>20901022</td><td>Dues towards theft of</td><td>(2,520.47)</td></tr>
<tr><td>37</td><td>24000008</td><td>T.A. Advance</td><td>44.16</td></tr>
<tr><td>38</td><td>24000012</td><td>Medical Advances</td><td>383.12</td></tr>
<tr><td>39</td><td>24000013</td><td>L. T. C. Advances</td><td>7.19</td></tr>
<tr><td>40</td><td>24000017</td><td>Advances to ITI Training Fee</td><td>55.00</td></tr>
<tr><td>41</td><td>24100006</td><td>Interest accrued and not due on staff loans</td><td>21.92</td></tr>
<tr><td>42</td><td>24100007</td><td>Amount receivable from employees*</td><td>438.68</td></tr>
<tr><td>43</td><td>24100008</td><td>Amount receivable from ex- employees*</td><td>16.07</td></tr>
<tr><td>44</td><td>24100010</td><td>Amounts receivables from other State Electricity Boards*</td><td>9,429.45</td></tr>
<tr><td>45</td><td>24100018</td><td>Advance to prospective employees</td><td>18.49</td></tr>
<tr><td>46</td><td>24100023</td><td>Short remittance by collection agency & employee / Ex-employee*</td><td>668.78</td></tr>
<tr><td>47</td><td>24100024</td><td>Receivable from supplier contractor</td><td>76.82</td></tr>
<tr><td>48</td><td>20600205</td><td>Loans and Advances to Licensees*</td><td>31.34</td></tr>
<tr><td>49</td><td>20901513</td><td>Receivable from Scrap Customer</td><td>241.47</td></tr>
<tr><td>50</td><td>20901510</td><td>Sundry Debtor for sale in bulk-interstate</td><td>(18,233.64)</td></tr>
</table>
* These balances have been fully provided in the books.

In the absence of appropriate explanation /reconciliation, we are unable to comment upon accuracy of these balances.
The effect of the adjustments, if any, arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained.
</td><td></td></tr>
<tr><td>b)</td><td>The balances in various assets and liability accounts include
(i) balances carried forward since trifurcation period
(ii) balances uploaded on migration to SAP software,

for which adequate details are not available and as such we are unable to comment on such balances and the impact, if any, on the Standalone Financial Statements.</td><td>The detail scrutiny of assets and liabilities is in process and necessary action will be initiated after due verification. The proposal for write off / write back of old balances, if required, will be initiated where the records are not available.</td></tr>
</table>

Sr. No.	Auditor's Report	MSEDCL's Remarks
c)	Further, in absence of necessary data/ details, we are unable to comment whether the classification of assets and liabilities in to Financial and Non-Financial, grossing up of assets and liabilities and their bifurcation in to Current and Non-Current are in accordance with the requirements of Ind AS 1 Presentation of Financial Statements, Ind AS 32 'Financial Instruments: Presentation' and Schedule – III to the Act.	The Company has broadly classified the assets and liabilities into financial and non financial and their bifurcation into Current and Non-Current. In some cases, the classification is difficult being old balances carried forward since trifurcation period and uploaded on migration on SAP software. These items are listed out and classified as Current.
d)	The Company has various Purchase Orders (PO), which have not been executed as on balance sheet date. The Company has not mapped the Open Purchase Orders relating to capital items with capital advances and capital commitments disclosure. In the absence of such mapping, we are unable to comment on the accuracy of the disclosure made in Note 36(1)(III) towards capital and other commitments.	The segregation of Purchase orders has been made as per available information. Capital/Mobilisation advances given against work orders have been mapped to vendors/purchase orders for new scheme. The report for open Purchase orders is available in SAP.
6. a)	**External Balance Confirmations/ Reconciliations :** Attention is drawn to Note 36(4) to Standalone Financial Statements - Balances of loans and advances, various other debit/credit balances and dues from government are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations followed by the Company needs to be strengthened further. In the absence of proper records / details, we are unable to ascertain the effect of the adjustments, if any, arising from reconciliations and settlement of old dues, possible loss / profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.	In case of loans, the confirmation from the financial institutes and banks are obtained. Moreover, in case of creditors for Power Purchase in most of the cases either confirmation has been obtained or reconciliation has been done. In case of Dues from Government, the correspondence with company can be treated as the confirmation of balance with Govt. For most of the vendors the Communications were sent for balance confirmation. In some cases confirmation is received. In some cases in spite of follow up the confirmations are not received.
b)	Attention is drawn to Note 11 and Note 36(4) to the Standalone Financial Statements regarding non-availability of: (i) Balance confirmations from Post Offices The details in respect of balances with Post Office as per books of account for which confirmations are not available are as	Balance confirmation has been sought from Post offices. However, the Post Office has informed that confirmation of balances as requested is not possible in their system. Now, the collection from

Sr. No.	Auditor's Report	MSEDCL's Remarks
	under: (₹. In Lakhs) <table><tr><td rowspan="2">FY</td><td colspan="2">Balances with Post Office</td></tr><tr><td>Total Debit balances</td><td>Total Credit balances</td></tr><tr><td>2020-2021</td><td>33,277.31</td><td>23,215.56</td></tr><tr><td>2019-2020</td><td>36,410.80</td><td>26,313.08</td></tr><tr><td>2018-2019</td><td>28,480.38</td><td>18,936.05</td></tr></table>	Post office is discontinued from FY 2019-20.
	(ii) Reconciliation of Post Offices for all circles In the absence of availability of balance confirmations/reconciliations, we are unable to comment on the consequential impact, if any, of the same on the Standalone Financial Statements for the year under audit.	The reconciliation of balances with post office is in process.
c)	As stated in Note 36(21) to the Standalone Financial Statements, there is a difference of ₹. 9,71,175.00 Lakhs (F.Y 2019-20 ₹. 4,27,616.00 Lakhs, F.Y 2018-19 ₹.2,25,504.00 Lakhs) in balances receivable/payable as appearing in the books of account of the Company and the corresponding balances in the books of the group companies. Further, as stated in Para B(2) of Annexure 'C' to our report, there are differences in receivables and payables between the other generation, distribution and transmission companies. In the absence of reconciliation, we are unable to comment on the impact thereof, if any, on the Standalone Financial Statements.	Difference of ₹. 9,84,209 lakhs is pertaining to PP transactions with MSPGCL & MSETCL, due to DPS claimed by MSPGCL & MSETCL & unaccepted bills by MSEDCL. The Reconciliation statement of all the Generators incl. MSPGCL & MSETCL was done and already shared. In case of Renewable Energy section reconciliation is done for generators approached MERC for outstanding dues etc on priority basis. Remaining generators due to voluminous data timely reconciliation is not possible. The development of displaying details of payment and outstanding of generators to the NCE portal for reconciliation of dues and outstanding with MSEDCL is under process. The balance confirmation and reconciliation of outstanding balances with group companies for Loan and Advances have been provided. In case of MSEB Holding company, there are balances related to the erstwhile MSEB, which are not accepted by MSEDCL amounting to ₹ 20,705.53 lakhs and it is also requested to holding Company to write off /write back in their books.
d)	In respect of variation of ₹.607.67 Lakhs in the balance as per the books of the Company and balance as appearing in the books of Contributory Provident Fund Trust (CPF) no	The balance as per the books of the Company and balance as appearing in the books of Contributory Provident Fund Trust (CPF) are under reconciliation and necessary rectification entries, if any will be

Sr. No.	Auditor's Report	MSEDCL's Remarks
	details/ explanation has been provided. In the absence of adequate details we are unable to comment on the consequential impact on the statement of profit and loss account and retained earnings.	passed in FY 2021-22.
7.	**Refund of Regulatory Liability Charges:** As stated in Note no. 36(28), during FY 2003-04 to FY 2006-07, the Company had collected Regulatory Liability charges from the consumers. MERC had passed an order to refund an amount of ₹. 3,22,700 Lakhs (out of the amount collected) to the consumers. The Company has refunded ₹. 3,12,273 Lakhs upto 31.03.2021. (F.Y 2019-20 ₹. 3,12,394 Lakhs, F.Y 2018-19 ₹.3,12,217 Lakhs) The Company has not made provision towards the balance amount of ₹. 10,427 Lakhs (F.Y 2019-20 ₹. 10,306 Lakhs, F.Y 2018-19 ₹. 10,483 Lakhs) refundable to the consumers.	As per the information available with the Company there is no outstanding demand of refund of RLC. Hence, no provision is required to be made.
8. a)	**Government Grants & Consumer Contributions:** As per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance', government grant for capital assets is recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortises the related costs of such capital asset. The Company assumes that all grants received are utilised and the assets are capitalised in the same year. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of grants, we are unable to comment on the consequential impact on the Standalone Financial Statements of the Company.	The Accounting policy in this regard is disclosed at point no 6 in Note 2 on "Significant Accounting Policies" as under; "Government grants relating to the purchase of property, plant and equipment are presented as Capital Grant in financial statements and are credited to profit and loss in a systematic manner over the expected life of the related assets and presented within other income." The Grants are immediately utilized to create the assets and as such amortisation starts in the same year. During FY 2020-21 the company has considered only utilized grant, based on Chartered Accountant's Certificate, for major schemes i.e. DDUGJVY and IPDS for amortization of Grants.
b)	Consumer contribution for capital assets is recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortises the related costs of such capital assets. The Company assumes that all contributions received are utilised and the	The Accounting policy in this regard is disclosed at point no 6 in Note 2 on "Significant Accounting Policies" as under; "Consumer Contributions relating to the purchase/ construction of property, plant and equipment are credited to profit and loss in a systematic manner."

Sr. No.	Auditor's Report	MSEDCL's Remarks
	related assets are capitalised in the same year. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of consumer contribution, we are unable to comment on the consequential impact on the Standalone Financial Statements of the Company.	The Consumer Contributions are generally utilized to create the assets in the year it is received and as such amortisation starts from the same year.
9.	The contingent liabilities as disclosed in Note No. 36(1) - is based on information as provided and confirmed by the management. In the absence of adequate documentation by the Company and adequate audit trail, we are unable to comment on the completeness of the disclosure of the contingent liabilities and whether any additional provision is required to be made. The consequential impact on the statement of profit and loss and retained earnings is not ascertainable.	The circle wise list of contingent liability duly vetted by Law officers with relevant documents such as court orders, Income Tax orders, Income Tax Appeal documents and orders etc. has already been provided to Auditors.
10.	**Employee Benefit Expenses:** The Company has not carried out any actuarial valuation for interest shortfall on Post Employee Benefits - Defined Benefit Plan - Contributory Provident Fund (CPF) as per Ind AS 19 – Employee Benefits. The fund is administered by the Trustees of the Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). In the absence of any such valuation, we are not able to comment on the impact, if any, on the Statement of Profit and Loss for the year and Retained earnings.	Interest shortfall on CPF is borne by the employer on the basis of actual data provided by CPF Trust in accordance with the provisions of scheme.
11. a)	**Non provision of various expenses:** As mentioned in Note 36(1)(I)(iii)(B)(a)to(e)to the Standalone Financial Statements, on account of ambiguity in the method of computing the amount payable, which matter is pending before Supreme Court, the Company has not provided for the liability towards compensation for incremental coal cost pass through pursuant to New Coal Distribution Policy (NCDP) payable to various vendors amounting to approx. ₹. 14,44,604.59 Lakhs (F.Y 2019-20 ₹. 7,58,385.00	Factual and the issue is regarding shortfall in supply of domestic coal to power generators. Owing to such shortfall power generators had to arrange coal from some other sources by incurring additional cost. Ministry of Coal vide letter dtd.26.07.2013 has notified the changes in the New Coal Distribution Policy (NCDP) as approved by the CCEA. As per decision of the Government, the higher cost of import/market based e-auction coal be considered for pass through on a case to case basis by CERC/SERC to the extent of shortfall in the quantity

Sr. No.	Auditor's Report	MSEDCL's Remarks
	Lakhs , F.Y 2018-19 ₹.4,42,729.00 Lakhs).	indicated in the LoA/FSA. Pursuant to the Hon. Supreme Court Judgment dtd. 11.04.2017 in Energy Watchdog case, Hon. MERC has held that, the change in coal distribution policy by Government i.e. NCDP 2013 & SHAKTI Policy 2017 constitutes as an event of Change in law as per the provisions of PPA with IPPs. For computation of financial impact, various technical parameters are involved which decide the coal requirement of thermal power generating plant such as Station Heat Rate, Gross Calorific Value (GCV) of coal etc. There are disputes regarding consideration of these parameters between MSEDCL and generators, as to whether actual parameters are to be considered or parameters are per bids are to be considered. Such dispute is pending before Hon. Supreme Court. Hence, the amount of ₹. 14,44,604.59 Lakhs is shown as Contingent Liability
b)	As mentioned in Note 36(1)(I)(iii)(A)(c) to the Standalone Financial Statements, the Company has not provided for liability towards fixed charges payable to Ratnagiri Gas Power Private Limited (RGGPL) amounting to ₹.4,32,768.00 Lakhs (F.Y 2019-20 ₹. 4,22,856.23 Lakhs , F.Y 2018-19 ₹. 3,51,004.00 Lakhs). Sum of ₹. 18,101.07 Lakhs (F.Y 2019-20 ₹. 18,101.07 Lakhs, F.Y 2018-19 ₹. 18,101.07 Lakhs) paid to RGPPL has been shown as advances.	PPA was executed between RGPPL and MSEDCL on 10.04.2007. Gas supply from KrishnaGodavari D6 Basin (KG D6) was continuously reducing. Due to high cost of alternative fuel i.e., RLNG and to avoid financial burden on consumers, MSEDCL has not accepted the power from RGPPL. RGPPL has not approached MSEDCL to facilitate of Gas Supply Agreement (GSA) for future period on expiry dtd.31.03.14. Hence MSEDCL has terminated the PPA w.e.f. 01.04.2014. However, RGPPL is claiming DPC & also fixed charges without any generation & without any scheduling power for MSEDCL. Earlier, MSEDCL has paid an amount of ₹. 181.01 Crore as advance. Hence, amount of ₹. 181.01 Crore is considered as Contingent Liability. However, the said amount may also get pass through in ARR, if liable to pay. Therefore, the said amount also been treated as Contingent Asset. However if there is any .coercive action is initiated from RGPPL against the liability MSEDCL may move to Hon'ble Supreme Court as per their order dated 13.05.2015. Hence ₹. 4,32,768 Lakhs is shown as Contingent Liability.
c)	As mentioned in Note 36(9)(b) to the Standalone Financial Statements, the Company has not made	The Company has accounted the receivable for ₹ 16,298 lakhs in FY 2020-21. Also, final termination

Sr. No.	Auditor's Report	MSEDCL's Remarks
	provision of ₹. 21,697.25 Lakhs (F.Y 2019-20 ₹. 18,223.71 Lakhs) for amount payable to distribution franchisee, Spanco Nagpur Discom Limited on termination.	process in respect of SND Ltd is in progress and after finalisation of termination process, the final reconciliation will be done and necessary accounting entry will be passed. However, the same is shown as contingent liability.
12. a)	**Other Items:** As stated in Note 36(27) to Standalone Financial Statements, every year the Company is required to invest in specified securities an amount equivalent to contingency reserve created during the preceding year as specified in the Maharashtra Electricity Regulatory Commission (MERC) Guidelines. The Company has not made any earmarked investments during the year. The total amount invested in earmarked investments as at 31st March 2021 is ₹. 31,339.78 Lakhs (F.Y 2019-20 ₹. 31,369.82 Lakhs, F.Y 2018-19 ₹. 18,572.55 Lakhs) as against the contingency reserve of ₹. 1,25,732.00 (F.Y 2019-20 ₹. 1,09,976.00 Lakhs, F.Y 2018-19 ₹. 95,700.00 Lakhs).	The Company was passing through a critical financial situation during this period and was not having sufficient funds to discharge the liabilities even of routine Operations & maintenance payments. The issue was deliberated in the Board Meetings and it was decided that, it would not be prudent to borrow the funds from the Banks at higher rates of interest and invest the same in contingency fund at lower rate at this juncture. In view of the above mentioned situation and considering the problem of liquidity crunch the total amount invested in earmarked investments as at 31st March 2021 is ₹.31,339.78 Lakhs (F.Y 2019-20 ₹. 31,369.82 Lakhs, F.Y 2018-19 ₹. 18,572.55 Lakhs) as against the contingency reserve of ₹. 1,25,732.00 lakhs (F.Y 2019-20 ₹. 1,09,976.00 Lakhs, F.Y 2018-19 ₹. 95,700.00 Lakhs). MERC allows the Expenditure to the extent of actual investment made against contingency reserve.
b)	The Company has shown a sum of ₹. 1,89,619.12 Lakhs (F.Y 2019-20 ₹. 2,04,802.10 Lakhs F.Y 2018-19 ₹. 1,22,153.35 Lakhs) and ₹.82,733.29 Lakhs (F.Y 2019-20 ₹. 53,708.53 Lakhs, F.Y 2018-19 ₹. 70,207.98 Lakhs) as liabilities towards Clearing Goods Receipt Invoice Receipt (GRIR) and Liability for supplier Work & Maintenance respectively. These balances are net of debit balances. In the absence of requisite data and audit trail, we are not in position to ascertain the impact on the Assets and Liabilities of the Company.	The same will be reconciled and necessary rectification entries will be passed in FY 2021-22.
c)	Attention is drawn to Note 36(13) to the Standalone Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties. The liability on this account, if any,	Due care has been taken to release the payment to MSME parties within due date.

<table>
<tr><th>Sr. No.</th><th>Auditor's Report</th><th>MSEDCL's Remarks</th></tr>
<tr><td></td><td>has not been quantified by the Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the loss for the year under audit. Due to non-identification of MSMED parties, the disclosures, as required by the relevant Statute have not been made by the Company.</td><td></td></tr>
<tr><td>d)</td><td>There is a difference in balance of security deposit from consumers as per books of account and IT database as mentioned below [Refer Note No. 36(6)(II)(i)(a)(c)].
(₹. In Lakhs)
<table><tr><th>Particulars</th><th>Balance as on 31.03.2021 as per books of account (A)</th><th>Balance as on 31.03.2021 as per IT Database (B)</th><th>Differences - (B)</th></tr><tr><td>Security deposits</td><td>8,53,102.56</td><td>8,44,713.04</td><td>8,389.52</td></tr></table>The Company is in the process of reconciling the said differences.</td><td>The same will be reconciled and necessary rectification entries will be passed in FY 2021-22</td></tr>
<tr><td>e)</td><td>The Company has availed a loan (sanctioned amount ₹. 8,50,000.00 Lakhs – amount outstanding as at 31st March 2021 ₹. 7,18,750.00 Lakhs (F.Y 2019-20 ₹. 7,51,250.00 Lakhs, F.Y 2018-19 ₹ 8,08,125.00 Lakhs) from Rural Electrification Corporation Limited (RECL). The said loan is guaranteed by the Maharashtra State Electricity Board Holding Company Limited (Holding Company) for which no amount has been charged by the Holding Company. The financial guarantee has, however, not been fair valued as required under Ind AS 109. As a result, the loss for the year is lower by ₹. 8,144.02 Lakhs and the accumulated balance in retained earnings is higher by ₹. 22,781.49 Lakhs as at 31st March 2021.</td><td>The MSEB Holding Company has given corporate Guarantee to REC in favour of the Company. There is no intention of Holding Company to gain any commercial benefit out of such Corporate Guarantee. Also, the charge has already been created on assets of the Company for the loans availed by REC. Corporate Guarantee provided by Holding Company is an additional cover to secure the liability. Therefore, the Holding Company has not charged any Guarantee fee or commission on corporate Guarantee provided. Hence, no fair value of such corporate Guarantee given by Holding company has been recognized as per IND AS 109 and incorporated in the books of accounts.</td></tr>
<tr><td>13.</td><td>Various qualifications listed in paragraphs 1 to 12 above will have a consequential impact on provision for Income Tax, Regulatory Assets and Deferred Tax. Impact of the same is not ascertainable.</td><td>Refer to replies given above.</td></tr>
</table>

Sr. No.	Auditor's Report	MSEDCL's Remarks
	Our report for the preceding year was also modified in relation to paragraph no. 1(a to e), 2(a to b), 4(a to d), 5(a to d), 6(a to c), 7, 8(a to b), 9, 11(a to c), 12(a to e). The effects of the matters described above, which could be reasonably determined/ quantified, on the elements of the accompanying Standalone Financial Statements are tabulated as under:	

Impact on Statement of Profit & Loss (₹ In Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2020-21 Overstated/ (Understated)
1	7	Non provision of expenses - RLC	10,427
2	11	Non provision of expenses - NCDP	14,44,604.59
3	11	Non provision of expenses - fixed charges	4,32,768
4	11	Non rovision of expenses - DF liability	21,045.25
5	12	Non-Provision of Corporate Guarantee	8,144.02
6	12	Security deposits from Consumers	(8,389.52)
		Total	**19,08,599.34**

Impact on Balance Sheet (₹ In Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2020-21 Overstated/ (Understated)
1	7	Current financial liabilities – Regulatory Liabilities	(10,427)
2	11	Non provision of expenses - Coal pass through	(14,44,604.59)
3	11	Non provision of expenses – Fixed charges	(4,32,768)
4	11	Non provision of expenses – DF liability	(21,045.25)
5	12	Security deposits from Consumers	8,389.52
6	12	Other Equity -Corporate Guarantee	(8,144.02)
		Retained Earning	**(19,23,236.81)**

	We conducted our audit of the Standalone Financial Statements in accordance with the	

Sr. No.	Auditor's Report	MSEDCL's Remarks
	Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Standalone Financial Statements* section of our Report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Standalone Financial Statements.	

Material Uncertainty related to Going Concern

Sr. No.	Auditor's Report	Management's Replies
	As stated in Note 36(2), the accumulated losses of the Company as at 31st March, 2021 are ₹.25,32,153.65 Lakhs (F.Y 2019-20 ₹. 24,00,537.21 Lakhs, F.Y 2018-19 ₹.24,58,984.76 Lakhs) which exceed 50% of the net worth of the Company. The current liabilities as at 31st March 2021 are in excess of its current assets. Considering the fact that Government of Maharashtra is expected to infuse additional equity funds, as and when required, the Standalone Financial Statements have been drawn up on going concern basis. We have relied on the management assessment and our audit report is not modified in this regard.	No Comments

Emphasis of Matters
Attention is invited to the following matters.

Sr. No.	Auditor's Report	Management's Replies
1.	Attention is drawn to Note 36(1)(iii)(C)(a) relating to accounting in respect of Delayed Payment Surcharge (DPS). There is a variation in the method of computing interest as adopted by the Company and as adopted by Maharashtra State Power Generation Corporation Limited (MSPGCL). The Company has accounted for Delayed Payment Surcharge by apportioning the payments made towards principal outstanding as against apportionment towards interest by MSPGCL. Besides there are some billing differences. The amount to the extent disputed has been disclosed as contingent liability.	Factual and as per provisions of LPS under MERC Regulation, MSEDCL has calculated DPS. However, methodology for Appropriation of payment is not defined in the PPA. Therefore, MSEDCL has appropriated payment towards principle first and balance, if any, is adjusted against DPS thereafter. Besides there is some other billing differences. Accordingly, MSEDCL has re calculated DPS liability and accounted in the books. The amount to the extent disputed has been disclosed as Contingent Liability.
2.	Attention is drawn to Note 36(1)(iii)(C)(b) in respect of DPS relating to Maharashtra State Electricity Transmission Company Limited (MSETCL) on amount of principal due as at 31st July 2015 being claimed by MSETCL despite direction for waiver by MSEB Holding Company. Besides, there are other differences which are pending resolution. The amount to the extent disputed has been disclosed as contingent liability.	Factual and as per provisions of LPS under MERC Regulation, MSEDCL has calculated DPS. However, methodology for Appropriation of payment is not defined in the PPA. Therefore, MSEDCL has appropriated payment towards principle first and balance, if any, is adjusted against DPS thereafter. Besides there is some other billing differences. Accordingly, MSEDCL has re calculated DPS liability and accounted in the books. The amount to the extent disputed has been disclosed as Contingent Liability.
3.	Attention is drawn to Note 36(1) with regards to the Contingent Liabilities, which are significant in relation to the net worth of the Company at the year end.	As per Management opinion, It's a contingent liability. These are not expected to result into any financial liability to the Company entirely.
4.	As stated in Note No. 36(11)(1)(i), the Company has reversed Income Tax provision of ₹.11,074 Lakhs pertaining to FY 2019-20 based on the return of income filed for the said year considering the option under Section 115BAA under the Income Tax Act,1961.	While filling income tax return of AY 2020-21, MSEDCL has availed the option of taxation of domestic companies at lower rate U/s 115BAA of the Income Tax Act, 1961 from AY2020-21, i.e., from FY 2019-20. As there was no taxable income, income tax payable was nil. Hence the provision of ₹11,074 lakhs has been reversed during the current year.

Emphasis of Matters

Attention is invited to the following matters.

Sr. No.	Auditor's Report	Management's Replies
5.	As stated in Note 12 to the Standalone Financial Statements, the Company has made provision of ₹. 2378.02 Lakhs (F.Y 2019-20 ₹. 1,069.43 Lakhs , F.Y 2018-19 ₹. 2,551.43) for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable on balances outstanding as on transition date i.e. 01.04.2015 on account of impracticability instead of its origination date.	The company has made provision for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable from the date of applicability of Ind AS i.e. 01.04.2015 on account of impracticability.
6.	Attention is drawn to Note 36(1)(I)(v), the Company has been supplying electricity in the areas previously being serviced by Mula Pravara Electric Co-operative Society (MPECS) and has been using its infrastructure for the said purpose. The matter relating to payment of user charges is under dispute. Pending resolution of the dispute and in the absence of necessary contract, assessment as to applicability of Ind AS 116 has not been made.	As per the MERC Order, the Company is paying monthly user charges for using MPECS infrastructure. The matter relating to payment of user charges is under dispute. In view of the above, the Company has not made IND AS 116 applicable to it.
7.	Attention is invited to Note 36(37) on Company's assessment of its operations following the outbreak of Covid -19.	
	Our opinion is not modified in respect of these matters referred to in (1) to (7) above.	

Information other than the Standalone Financial Statements and Auditors' Report:

Sr. No.	Auditor's Report	Management's Replies
	The Company's Board of Directors is responsible for the Other Information. The Other Information comprises of Director Report but does not include the Standalone Financial Statements and our auditors' report thereon. Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to communicate the matter to those charged with governance. The annual report is expected to be made available to us after the date of auditors' report. Hence, we are not commenting in this regard.	No Comments
	Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and	No Comments

Sr. No.	Auditor's Report	Management's Replies
	are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.	
	Auditors' Responsibilities for the audit of Financial Statements Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: • Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls. • Evaluate the appropriateness of accounting policies used and the	No Comments

<table>
<tr><th>Sr. No.</th><th>Auditor's Report</th><th>Management's Replies</th></tr>
<tr><td></td><td>reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Refer "Material Uncertainty related to Going Concern" paragraph above. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.</td><td></td></tr>
<tr><td></td><td>Report on Other Legal and Regulatory Requirements
1. As required by the Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (hereinafter referred to as the 'Order') we give in the ANNEXURE 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Being a Government Company, in view of the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs (MCA), provisions of section 197 of the Act are not applicable to the Company.</td><td>Factual</td></tr>
</table>

Sr. No.	Auditor's Report	Management's Replies
	3. As required by section 143(3) of the Act, we report that: i. We have sought and except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above read together with our comments as mentioned in para 3(iv), obtained all the information and explanations, which to the best of our knowledge and belief were, necessary for the purpose of our audit; ii. Except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, 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; iii. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account; iv. Except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended; v. The matters described in the Basis for Qualified Opinion and Emphasis of Matters paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company. vi. Being a Government Company, pursuant to Notification No. F.No. 1/2/2014-CL. V dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section (2) of section 164 of the Act are not applicable to the Company. vii. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above. viii. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer our separate Report in **Annexure "B"**. Our Report expresses disclaimer of opinion on the operating effectiveness of the	

<table>
<tr><th>Sr. No.</th><th>Auditor's Report</th><th>Management’s Replies</th></tr>
<tr><td></td><td>Company’s internal control with reference to Standalone Financial Statements;

ix. With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
a) Due to possible effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, we are unable to state whether the Company has adequately disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 36(1) to the Standalone Financial Statements;

b) Due to possible effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, we are unable to state whether the Company has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. According to the information and explanations given to us, the Company has not entered into any derivative contracts;

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.</td><td></td></tr>
<tr><td></td><td>4. Report on Directions / Sub-Directions issued by Comptroller and Auditor General of India under sub-section (5) of section 143 of the Act
In terms of Directions issued by the Comptroller and Auditor General of India under sub-section (5) of section 143 of the Act and on the basis of such checks of the books and records of the Company, as we considered appropriate, and according to the information and explanation given to us, we give in the Annexure ‘C’, a statement on the matters specified in the said Directions.</td><td></td></tr>
</table>

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" in Independent Auditors' Report of even date to the members of Maharashtra State Electricity Distribution Company Limited on the Standalone Financial Statements for the year ended on 31st March, 2021)

Sr. No.	Auditor's Report	Management's Replies
i)	(a) The Company has maintained proper records showing full particulars except quantitative details and records in respect of leasehold and freehold land and situation of fixed assets.	Factual
	(b) Fixed assets have not been physically verified by the management during the year. Accordingly, we are unable to comment upon whether there are any material discrepancies with reference to book records.	The Company has formulated policy for the physical verification of Fixed Assets during the FY 2017-18. This policy has been modified in FY 2018-19.
	(c) Complete details in respect of title deeds of immovable properties have not been made available to us. In the absence of these details we are unable to comment whether all the title deeds in respect of immovable properties are held in the name of Company.	As per the procedure, after completion of every project/work, joint measurement certification (JMC) is done. After verification, asset is created and accounted for in the books of accounts. Also, the third party inspection is carried by reputed agencies like REC, PFC etc. after commissioning of assets. If any problems like supply interruption arises, the action to normalize the power supply is taken immediately and no asset remains unattended for a long time. The power is given continuously 24 X 7 hrs to consumers except few incidences of interruptions and the power is continuously transmitted through the distribution network which indicates that infrastructure network once created is always in service / use. Due to peculiar nature of business i.e. to supply continuous 24 X 7 hrs electricity and 100% third party inspection at the time of commissioning of new Fixed asset, physical verification of network assets i.e. plant and machinery, lines and cables and communication equipments is carried out in regular course of business. Most of the properties are in the name of either MSEB/MSEDCL/or Govt. of Maharashtra. In few cases the property is not in name of MSEDCL, the transfer of title deed is in process.

Sr. No.	Auditor's Report	Management's Replies
ii)	During the year under audit, physical verification of inventories (other than Project Stock) has been conducted by the management at year end. Discrepancies noticed during physical verification of inventories, which in our opinion are not material, have been appropriately dealt with in the books of account.	The Company every year carries out physical verification of inventory at the end of financial year and effect of any excess or shortage observed in the verification is appropriately taken in the accounts.
iii)	As informed to us, the Company has maintained register under Section 189 of Companies Act 2013. In the absence of requisite details in the said register, we are unable to comment whether the Company has granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or other parties mentioned in the register maintained under Section 189 of the Act.	Pursuant to section 189- Statutory Register of contracts or arrangements in which directors are interested are maintained by the Company in ordinary course of business.
iv)	As informed to us, the Company does not have information relating to parties as specified in Section 185 of the Act. Hence, we are unable to comment whether the Company has granted / any loan, made any investments, given any guarantee or security in pursuance to section 185 of the Act. Since the Company is engaged in providing infrastructure facilities as specified in Schedule VI to the Act, provisions of section 186 are not applicable to the Company.	The provisions of Section 185 of Companies Act, 2013 is not applicable to the company. No such loan, secured or unsecured is given to any director or any other person with whom the director has interest. No guarantee and security is given by the company in connection with loan taken by director. The provisions of Section 185 under Companies Act, 2013 is not applicable to the Company as no such loan including any loan represented by book debt is given to any director or to any other person in whom the director is interested. Further, no guarantee or security is given by the Company in connection with loan taken by director. Further, the trade investment and other investments appearing in financials of the company are pertaining to statutory administrative requirements. Further, pursuant to provisions sub section 11 of the section 186 of the Companies Act, 2013, nothing contained the section except sub section 1 shall apply to : a) To loan made, guarantee given or security provided by banking company or an insurance company or housing finance company in ordinary course of business or company engaged in

Sr. No.	Auditor's Report	Management's Replies
		business of providing infrastructural facilities. b) The expression "Infrastructural facilities" means the facilities specified in schedule VI. c) As per schedule VI sub provisions (6), power includes, generation of power through thermal, hydro, nuclear, fossil fuel, wind and other renewable source and transmission, distribution or trading of power by laying of distribution lines. Hence, provisions of section 186 are not applicable to the Company.
v)	As informed to us, the Company has various amounts payable to parties towards advances received/retention money/deposits/amounts to be refunded to consumers etc. In the absence of adequate details and audit trail, we are unable to comment whether any of these amounts get covered as deposits in terms of provisions of Section 73 to 76 read with Companies Deposit Rules, 2014. Further, as informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.	Company has not accepted any deposit during the year as per the provisions of section 73 to 76 of the Companies Act, 2013.
vi)	The Central Government has prescribed maintenance of cost records u/s 148 of Act, along with rules prescribed thereunder in respect of distribution of electricity. The same have not been made available for our verification. In the absence of such records being made available, we are unable to comment upon the accuracy and completeness of the same.	The Company has appointed M/s. M.R. Pandit & Co., Cost Accountants, Aurangabad and M/s. Anikhindi Associates, Cost Accountants, Pune as Cost Auditors of the Company for the financial year 2020-21 and the Cost Audit is in process.
vii) (a)	As explained to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities, including Provident Fund, Sales Tax, Income Tax, Custom duty, Excise duty, Value added Tax, Cess and other material statutory dues applicable to it, except in respect of tax deducted at source and GST. According to the information & explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues, which were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.	No comments

Sr. No.	Auditor's Report	Management's Replies
(b)	According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax, Value Added Tax, Goods and Service Tax and Cess which have not been deposited on account of any dispute except the following demands:	The Company has preferred appeal before the appellate authorities wherever it has not agreed with the assessment / re-assessment of income and demand of tax, interest and penalty or wherever aggrieved of decisions of the lower authorities.

(₹ in Lakhs)

Name of the Statute	Nature of the Dues	Amount	Period to which it Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Tax along with Interest	36,781.11	A.Y. 2006-07	Bombay High Court
Income Tax Act, 1961	Penalty	258.00	A.Y. 2006-07	ITAT Mumbai
Income Tax Act, 1961	Tax along with Interest	80,286.94	A.Y. 2007-08	Bombay High Court
Income Tax Act, 1961	Tax along with Interest	23,326.41	A.Y. 2007-08	Bombay High Court
Income Tax Act, 1961	Penalty Demand	45,534.00	A.Y. 2007-08	Bombay High Court
Income Tax Act, 1961	Tax along with Interest	17,068.12	A.Y. 2008-09	Bombay High Court
Income Tax Act, 1961	Tax along with Interest	88,468.89	A.Y. 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Fringe Benefit Tax	232.21	A.Y. 2009-10	DCIT
Income Tax Act, 1961	Tax	7,721.04	A.Y. 2012-13	ITAT Mumbai
Income Tax Act, 1961	Tax	21,804.36	A.Y. 2014-15	ITAT Mumbai
Income Tax Act, 1961	Tax	126,893.00	A.Y. 2018-19	CIT (A)
Income Tax Act, 1961	TDS	913.30	Till A.Y. 2015-16	ITO (TDS)
Income Tax Act, 1961	TDS	14.83	A.Y. 2015-16	ITO (TDS)
Income Tax Act, 1961	TDS	6.24	A.Y. 2016-17	ITO (TDS)
Income Tax Act, 1961	TDS	9.92	A.Y. 2017-18	ITO (TDS)

Sr. No.	Auditor's Report	Management's Replies

(₹ in Lakhs)

Income Tax Act, 1961	TDS	20.99	A.Y. 2018-19	ITO (TDS)
Income Tax Act, 1961	TDS	4.99	A.Y. 2019-20	ITO (TDS)
Income Tax Act, 1961	TDS	25.32	A.Y. 2020-21	ITO (TDS)
Income Tax Act, 1961	TDS	69.86	A.Y. 2021-22	ITO (TDS)
Central Excise & Service Tax Act, 1944	Penalty	0.40	F.Y. 2010-11	Commissioner (Appeals)
Central Excise & Service Tax Act, 1944	Penalty	0.40	F.Y. 2011-12	Commissioner (Appeals)
Central Excise & Service Tax Act, 1944	Penalty	0.60	F.Y. 2013-14	Commissioner (Appeals)
Central Excise & Service Tax Act, 1944	Penalty	0.05	F.Y. 2012-13 & F.Y. 2013-2014	Commissioner (Appeals)
Central Excise & Service Tax Act, 1944	Central Excise Duty, Interest and Penalty	10.61	F.Y. 2009-10	CESTAT
Central Excise & Service Tax Act, 1944	Central Excise Duty, Interest and Penalty	44.92	F.Y. 2011-12	CESTAT
Central Excise & Service Tax Act, 1944	Central Excise Duty, Interest and Penalty	0.29	F.Y. 2011-12	CESTAT
Central Excise & Service Tax Act, 1944	Central Excise Duty, Interest and Penalty	0.73	F.Y. 2011-12	CESTAT
Maharashtra Value Added Tax, 2002	MVAT	49,599.28	F.Y. 2005-06	Jt. Commissioner
Maharashtra Value Added Tax, 2002	MVAT	65,837.20	F.Y. 2006-07	Jt. Commissioner

Sr. No.	Auditor's Report					Management's Replies
	Maharashtra Value Added Tax, 2002	MVAT	78,125.53	F.Y. 2008-09	Jt. Commissioner	
	Maharashtra Value Added Tax, 2002	MVAT	16.45	F.Y. 2009-10	Jt. Commissioner	
	Maharashtra Value Added Tax, 2002	MVAT	60665.36	F.Y. 2012-13	Jt. Commissioner	
	Central Sales Tax	CST	37.85	F.Y. 2012-13	Jt. Commissioner	
	Maharashtra Value Added Tax, 2002	MVAT Penalty	33,778.99	F.Y. 2012-13	Jt. Commissioner	
	Central Sales Tax,	CST Penalty	15765.33	F.Y. 2012-13	Jt. Commissioner	
	Maharashtra Value Added Tax, 2002	MVAT	458.18	F.Y. 2013-14	Jt. Commissioner	
	Central Sales Tax,	CST	61.05	F.Y. 2013-14	Jt. Commissioner	
	Maharashtra Value Added Tax, 2002	MVAT	44,324.26	F.Y. 2014-15	Jt. Commissioner	
	Central Sales Tax,	CST	20.45	F.Y. 2014-15	Jt. Commissioner	
	Maharashtra Value Added Tax, 2002	MVAT	63,174.83	F.Y. 2015-16	Jt. Commissioner	
	Central Sales Tax,	CST	10.20	F.Y. 2015-16	Jt. Commissioner	
	Maharashtra Value added Tax, 2002	MVAT	82,404.70	FY 2016-17	Jt. Commissioner	
	Service Tax Act, 1994	Service Tax	366.44	F.Y. 2012-13 to A.Y. 2016-17	CESTAT	
	Service Tax Act, 1994	Service Tax	44,584.74	F.Y. 2012-13 to F.Y. 2017-18	Appeal at Adjudication	
viii)	Attention is drawn to Note No. 36(26) relating to suspension of payment of principal and interest in respect of loan from Power Finance Corporation (PFC) under R-APDRP (A) Scheme pending its conversion from					Yes, the Company is not in default in debt servicing. The conversion of loan from Power Finance Corporation (PFC) under R-APDRP (A)

DIRECTORS' REPORT | MSEDCL STANDALONE | CONSOLIDATED | GRAPHS

Sr. No.	Auditor's Report	Management's Replies
	loan to grant. According to the information and explanations given to us, except for the above, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and Government. The Company has not issued any debentures.	Scheme into grant is recommended in 13th Monitoring Committee Meeting held on 18-10-2018. PFC has not been sending the Demand against R-APDPRP (Part-A) loan to MSEDCL and as such no repayment has been made since September, 2017.
ix)	To the best of our knowledge and belief and according to the information and explanations given to us, the Company has neither raised money by way of initial public offer or further public offer (including debt instruments). In the absence of adequate details, we are unable to comment, as to whether the term loans obtained during the year have been applied for the purpose for which they were obtained.	Company has neither raised any money by way of Initial Public Offer of Further Public Offer (including debt instrument). The term loans obtained during the year have been applied for the purpose for which they were obtained.
x)	To the best of our knowledge and belief and according to the information and explanations given to us, except for two instances of fraud by employees of the Company (amount involved ₹. 102.83 Lakhs), we have not come across any fraud by the Company or on the Company by its officers or employees.	Except two cases of misappropriation of funds, no fraud cases were reported during the year.
xi)	Being a Government Company, in view of the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs (MCA), provisions of section 197 of the Act are not applicable to the Company. Accordingly, clause 3(xi) of the Order is not applicable to the Company.	Yes as per Government Notification No. GSR 463(E) dated 5th June 2015; government companies are exempt from the applicability of section 197 of the Companies Act 2013. Accordingly clause 3(xi) of the order is not applicable to the company.
xii)	In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.	Yes, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
xiii)	According to the information and explanation given to us and based on our examination of the records of the Company, provisions of section 177 are not applicable to Company. Subject to our comments in clause (iii) above, relating to non-availability of adequate details of related parties, transactions with related parties have been disclosed in the standalone financial statements as required under relevant Accounting Standards.	The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24 'Related Party Disclosures" specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

Sr. No.	Auditor's Report	Management's Replies
xiv)	According to the information and explanation given to us and based on our examination of the records of the Company, the Company has neither made any preferential allotment, private placement of shares nor issued any debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.	The Company has made fresh allotment of further equity shares to existing owner i.e. GOM during the year.
xv)	According to the information and explanation given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with the directors or persons connected with him during the year under review. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.	Company has not entered into any non-cash transaction with the director or person connected with director.
xvi)	In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.	Yes, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

ANNEXURE B
TO THE INDEPENDENT AUDITOR'S REPORT

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

Auditor's Report	Management's Replies
We have audited the internal financial controls with reference to Standalone Financial Statements of **Maharashtra State Electricity Distribution Company Limited** as at 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.	No Comments
Management's Responsibility for Internal Financial Controls The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.	No Comments
Auditors' Responsibility Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.	No Comments

Auditor's Report	Management's Replies
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.	
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 Standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.	No Comments
Inherent Limitations of Internal Financial Controls over Financial Reporting	

Auditor's Report	Management's Replies
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.	
Disclaimer of Opinion According to the information and explanation given to us and based on our audit, as informed to us, during the year, the Company has established a framework for internal financial controls with reference to Standalone Financial Statements on the criteria based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India. In this regard, the Company has identified various risks and the related controls. However, as informed to us, the Company has not tested these controls for their operating effectiveness before 31st March 2021. Further, the Company has provided to us only partial information/ data for our testing of the controls for their operating effectiveness. The details of various risks and controls identified by the Company and the partial information / data provided for our testing have been made available to us post 31st March 2021. In the absence of testing of the design of all documented risks and controls and their operating effectiveness before 31st March 2021, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial control over financial reporting and whether such internal financial control were operating effectively as on 31st March, 2021. Accordingly, we do not express any opinion on the adequacy of the internal financial controls and the operating effectiveness thereof as at 31st March 2021. We have, however, considered the above factors in determining the nature, timing and audit tests applied in our audit of the Standalone Financial Statements of the Company. Wherever, during the course of our audit, we have identified weaknesses in internal financial controls over financial reporting, that are likely to affect our opinion on the Standalone Financial Statements of the Company, we have issued a qualified opinion on the Standalone Financial Statements.	Risk Control Matrix (RCMs) have been formulated and identified by the Company for FY 2020-21 submitted and explained to the statutory auditors' in detail before March 2021. Following RCMs Testing reports have been submitted to statutory auditors (i) Entity Level Controls (ELC), (ii) Corporate Accounts (CA), (iii) Revenue-HT Billing (iv) Power Purchase (Conventional and RE) (v) Information Technology General Controls (ITGC) (vi) Corporate Finance (CF) The data for all RCM's have been provided to the statutory auditors

ANNEXURE C TO THE AUDITORS' REPORT
Comments on the Directions u/s. 143(5) of the Companies Act, 2013

(Referred to in paragraph 4 under "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of Maharashtra State Electricity Distribution Company Limited (hereinafter referred as "the Company") on the Standalone Financial Statements for the year ended 31st March, 2021).

Sr. No.	A. Directions	Auditors' Comments
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The company has system in place to process all the accounting transactions through IT system. Company uses ERP- SAP FICO (Finance and Controlling) module for accounting. Company uses SAP Material Management, SAP Project Systems and SAP Plant Maintenance software and other Custom SAP module such as Power Purchase and accounting entries from these modules are integrated with FICO module. Apart from the above the below are integrated into SAP through Interface: 1. Consumer Billing through Billing software. 2. Consumer Collection entries through Online Cash Collection System software. 3. Employee payroll entries through HRMS Payroll software. All accounting transactions are routed through the IT system whether through Oracle, Custom package or SAP. In case of HRMS, employee records are maintained in Oracle HRMS database and salary and other claims transactions are processed through HRMS Oracle and then transaction file is generated through SQL program which is captured on FTP (File transfer Protocol) server and posted to SAP through interface through ABAP scheduler programs which cannot be modified on live production system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender Company).	As per the information and explanation provided to us, during FY 2020-21, there are no cases of restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest, etc. made by a lender of the company due to company's inability to repay the loan.
3.	Whether funds (grants/ subsidy etc.) received/ receivable for the specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	Funds (grants/subsidy etc.) received/receivable for schemes from Central/State Government or its agencies for F.Y. 2020-21 have been properly accounted. Based on the verification done by us and the utilization certificates issued by independent CA firms (wherever made available to us), the funds (grants/subsidies) received have been utilized as per the terms and conditions of the grant.

Sr. No.	B. Sub Directions	Auditors' Comments
1.	Has the company entered into agreement with franchisees for distribution of Electricity in selected areas and revenue sharing agreement adequately protect the financial interest of the Company?	As per information and explanations provided to us, during the year, the Company was having transactions with 3 Franchisees based on terms of agreement and same are listed below: 1. M/s Torrent Power Limited for Bhiwandi Circle – The agreement dated 20th December 2006 is effective for the period commencing from 25th January 2017 to 25th January 2027 post renewal 2. M/s CESC Limited for Malegaon Circle – The agreement dated 29th May 2019 is effective for the period commencing from 1st March 2020 to 1st March 2040. 3. M/s Torrent Power Limited for Thane Urban Circle – The agreement dated 11th February 2019 is effective for the period commencing from 1st March 2020 to 1st March 2040. The Company has supplied power to the above-mentioned franchises in selected areas. The rates charged to such franchises are not below the average cost of purchase paid by the company.
2.	Whether the reconciliation of receivables and payables between the generation, distribution & transmission companies has been completed. The reasons for difference may be examined.	For Group Companies: Reconciliation of balances of receivables & payables in respect of as on 31st March 2021 between the Company and Maharashtra State Power Generation Company Limited (MSPGCL) and Maharashtra State Electricity Transmission Company Limited (MSETCL) has been completed and the reasons for variations have been identified. The Company is in the process of resolution of these differences. For Others: A. Reconciliation of the balances of vendors for supply of Non Renewable Energy have been made available to us and the reasons for variations have been identified. The Company is in the process of resolution of these differences B. Reconciliation of the balances of vendors for supply of Renewable Energy have not been made available to us. In the absence of detailed reconciliation, we are unable to comment on the reasons for differences. Also refer to clause 6(c) of basis of qualification of our audit report relating to differences of intercompany balances. As informed to us and as represented by the management, the main reasons for variation / the items in reconciliation include accounting of Delayed Payment Charges (DPC), Rebate, Charges related to change in law, Capacity Charges, Energy Bills, FAC Bills, Arrears of HT Consumer etc.
3.	How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether	The Government of Maharashtra (GOM) provides concession in rate towards sale of power to certain categories of consumers. During the year, the Company has been allowed the following subsidy against supply power at concessional rate to the specified category of consumers.

<table>
<tr><th>Sr. No.</th><th>B. Sub Directions</th><th>Auditors' Comments</th></tr>
<tr><td></td><td>the same is being re-imbursed regularly by the State Govt. shortfall if any may be commented?</td><td>(₹. in Lakhs)
<table><tr><th>Particulars</th><th>Amount</th></tr><tr><td>Opening Balance of Subsidy Receivable as on 01.04.2020</td><td>3,09,423</td></tr><tr><td>Add: Subsidy given to Consumers in FY 2020-21</td><td>9,48,387</td></tr><tr><td></td><td>12,57,810</td></tr><tr><td>Less: Subsidy Received / Adjusted up to FY 20-21</td><td>8,18,490</td></tr><tr><td>Closing Balance as on 31.03.2021</td><td>4,39,320</td></tr></table></td></tr>
<tr><td>4.</td><td>Report on the efficacy of the system of billing and collection of Revenue in the Company. Further, Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.</td><td>As informed and represented to us (and relied upon by us being technical matter):
The meters installed for both HT/LT consumers in MSEDCL are as per IS: 13779/199 & IS 14697 amended up to date and other relevant IS specifications including CBIP Tech report 104 amended up to date, IEC 62053-21 Specification for AC Static watt-hour meter for class 1&2 IS: 15959/2011 amended up to date for Data Exchange for Electricity Meter Reading, Tariff & Load control- common specification CEA regulations and & MERCs guidelines with latest amendments. All the meters have all the anti-tamper features as:
1 Accuracy test for Single Phase Meter for phase & Neutral channel for same magnitude of current one by one.
2 Accuracy test for Single Phase Meter in case of reverse power for phase & Neutral channel for same magnitude of current one by one.
3 Facility to disconnection neutral for all meters physically by connection.
4 CT open, Unbalance and reverse current test for Three Phase Meters
5 PT missing, voltage unbalance and reverse phase sequence, etc.
6 The Single RF meters installed are sharing real time data through DCU installed and monitoring of tamper data, bill data is started.
7 Similarly, the 40-200 A embedded meters are AMR compatible through which real time data monitoring and capturing of tampers, theft is getting supervised.
8 Validation checks are implemented in billing system to filter out odd consumption.
9 The SOP for meter replacement is set and meters are getting replaced of faulty status consumers.

Similarly for recovery of the arrears following actions are taken:
1. The Company prepares monthly collection reports and compares with billing and pursues with field offices for the recovery of outstanding. Special disconnection drives are undertaken for recovery of dues.</td></tr>
</table>

Sr. No.	B. Sub Directions	Auditors' Comments
		2. Various Schemes like PD Amnesty Scheme, Abhay Yojana Schemes were launched for recovery of old dues. Installment & OTS scheme is also implemented for suffered industries during pandemic of COVID-19 3. Bill payment of all HT consumers is accepted through RTGS. All consumers are encouraged to make online payment and different avenues for digital payment like e-wallet, payment through Mahadiscom website has have been made available to consumers. 4. Company has installed advance technology meters like RF (Radio Frequency) & IR (Infrared) technology to consumers of high revenue pockets. Readings of all IP consumers above 20HP are taken through Meter Reading Instruments. Reading of all HT consumers are taken through AMR (Automatic Meter Reading) & MRI. 5. Regarding installation of tamper proof meters, MSEDCL has approx.280 Lakhs consumers out which approx. 265 Lakhs consumers are metered and all meters are tamper proof. Only approx. 15 Lakhs consumers are under unmetered agriculture (AG) category. 6. Vide MERC order no 322 dated 30.03.2020, Hon'ble Commission has instated Agriculture Sale and directed adopt Feeder Input based Billing methodology for agriculture Billing for selected 502 AG Feeders. a) AG Sale of the Feeder (Units) = Feeder Input (Units) - % Technical loss as suggested by Commission – Non AG Sale on the Feeder (Units) b) AG Index (kWh/HP) = AG Sale (Units) / AG Connected kload HP on the feeder c) Units billed for consumer = AG Index (kWh/HP) * Connected Load (HP) d) For the Agriculture consumers connected on feeders other than 502 feeders, the methodology is same as previous. The unfeeded consumers will be billed as per meter reading and the unmetered consumers will be billed as per HP tariff and sale of the unmetered consumers will be derived from normal status metered consumers. e) For arresting losses distribution feeder wise energy audit is carried out at different level and necessary action is being taken such as maintenance of lines and equipment's upgradation system improvements of equipments, curbing of theft to reduce energy losses and improve billing efficiency. 7. The following method is adapted for billing of unmetered AG sale of Low Tension (LT) unmetered Ag consumer.

Sr. No.	B. Sub Directions	Auditors' Comments
		a) At the end of quarter, IT section computes quarterly Sub- division wise kwh/HP Indices units b) While computing kwh/HP norm, only the consumers with NORMAL meter status having progressive reading (negative and zero consumption excluded) will be considered. c) Consumption of consumers having consumption greater than 224 kWh/hp/month will be CAPPED to 224kWh/hp/month d) Rationale behind CAP of 224 kwh/HP/Month is Maximum 3000 Running hours per year and 300 days of operation = 3000 / 300 = 10 Hours per day 0.746 kw(1hp) X 10 Hrs X 30 days = 224 kWh / HP/Month e) This Subdivision wise kwh/HP Index computed will be used to compute quarterly consumption of unmetered agriculture consumers in subdivision. The method is approved by MERC. 8. Dashboard web page is created on which daily updates regarding the Demand/recovery arrears position can be division wise seen (Link:-www.mahadiscom.in/dashboard). It was observed that in respect of tamper proof meters acquired and installed in earlier years, there were certain instances where meters installed were found defective. The Company has taken legal action against the suppliers for the defective supplies. In the absence of adequate information/details, we are unable to comment whether these defective meters have been replaced.
5.	Whether Profit and Loss mentioned in Audit report is as per Profit and loss statement of the Company.	Amount of Profit / Loss is not required to be mentioned in the audit report. However, our audit report is with reference to the Loss as per the Statement of Profit & Loss forming part of the Standalone Financial Statements.
6.	Whether the Company recovers Fuel and Power Purchase Adjustment Cost (FPPCA) and accounts for as approved by Maharashtra Electricity Regulatory Commission (MERC)?	As per information and explanations provided to us, the Company calculates monthly Fuel Adjustment Cost (FAC) and recovers the same from the consumers. The same is accounted as revenue from consumers. The quarterly statement of FAC to be recovered is sent to MERC for vetting and post facto approval.
7.	Whether the Liabilities and other financial implications arising due to the implementation of UDAY (Ujwal Discom Assurance Yojana)	As per the information and explanations provided to us, read together with our observations stated in the audit report, the liabilities and other financial implications arising due to implementation of UDAY Scheme which has NIL balance as on 31st March 2021 and has been correctly accounted for. Also refer Note No. 36(23) to Standalone Financial

Sr. No.	B. Sub Directions	Auditors' Comments
	have been correctly accounted for may be examined.	Statements regarding accounting of UDAY Scheme.
8.	Examine whether the provisions of the Companies Act were followed w.r.t to reporting and disclosures of CSR activities.	As stated in Note 36(36), while MSEDCL in the past 3 successive years has been able to generate a book profit, considering the unadjusted losses of earlier years which based on opinion obtained are available for set off against the said profits, there is no average net profit as computed as per section 198 of the Companies Act,2013. Thus in pursuance to the provisions mandated in section 135(5) of the Companies Act, 2013, the Company is not liable to spend any amount towards CSR.

As per our Report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
(FRN : 101961W/W100036)

Sd/-
(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

Sd/-
Ravindra Sawant
Director (Finance)
DIN No.08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No.05169675

For Shah & Taparia
Chartered Accountants
(FRN : 109463W)

Sd/-
(CA Bharat Joshi)
Partner (ICAI M.No.130863)

Sd/-
Swati Vyavahare
Executive Director (F &A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

For GMJ & Co
Chartered Accountants
(FRN : 103429W)

Sd/-
(CA Atul Jain)
Partner (ICAI M.No.037097)

Sd/-
Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 24/11/2021

Place : Mumbai
Date : 24/11/2021

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

ANNEXURE-E
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 DISTRIBUTION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of **Maharashtra State Electricity Distribution Company Limited** for the period ended **31st March 2021** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **24th November 2021.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Maharashtra State Electricity Distribution Company Limited** for the period ended **31 March 2021** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the standalone financial statements and the related audit report:

(A) COMMENTS ON PROFITABILITY

Statement of Profit and Loss.

Revenue

Revenue from Operations (Note 27) : ₹ 73,711.83 crore

1. This does not include ₹ 6.71 crore being maintenance charges receivable from the Municipal Corporation of Greater Mumbai (MCGM) during the year which should have been accounted as Income for the year.

   The maintenance charges receivable from the MCGM were being accounted on cash basis contrary to the stated accounting policy of the Company on revenue recognition.

   Non-accounting on accrual basis resulted in understatement of Revenue, overstatement of loss for the year and understatement of current assets (receivables) by 6.71 crore.

2. This is understated by ₹ 32.21 crore being the amount of self consumption of electricity by the company for the year which should have been booked to Administration and General Expenses instead of reducing the same from Revenue in order to have a true and fair view of the financial statements.

This also resulted in understatement of Administration and General Expenses by ₹ 32.21 crore.

(B) COMMENTS ON FINANCIAL POSITION

Balance Sheet Assets

Non-Current Assets

Property, Plant & Equipment (Note 3) : ₹ 63,567.31 crore

Owned Assets

Free hold land : ₹ 10,675.81 crore

3(A) This includes lease hold land valuing ₹ 1823.60 crore which should have been classified as lease hold land.

Inclusion of lease hold land under free hold land resulted in overstatement of Freehold land & understatement of Lease hold land by ₹ 1823.60 crore.

Lease hold land : ₹ 107.81 Crore

3(B) This is overstated by ₹ 71.67 Crore being the un-amortized portion of lease hold land (valuing ₹ 86.29 crore) which was erroneously included under free hold land in 2019-20 and subsequently adjusted at the instance of audit. During the year, company adjusted the same but did not account for corresponding amortization on the lease hold land.

Consequently, this resulted in understatement of prior period expenses and overstatement of retained earnings by ₹ 71.67 Crore.

Financial Assets

Other Financial Assets (Note 6)

Security Deposits

Other Deposits : ₹ 22.84 crore

4. This includes ₹ 1.32 crore being the amount paid to CIDCO for acquisition of leasehold land which was in possession of the company since 2014. The same was classified as other deposits instead of capitalizing the same and a provision for the same amount was also created.

This resulted in understatement of fixed assets (leasehold land) and overstatement of other deposits by ₹ 1.32 crore.

Other Non-Current Assets (Note 8) : ₹. 313.63 crore

5. This does not include ₹ 42.05 core being amount paid to Nagpur Municipal Corporation (NMC) for capital expenditure which was approved by MERC.

   Further, MERC had allowed MSEDCL to recover an additional charge from the related consumers (₹ 59.97 crore) which was accounted as liabilities. However, the amount paid to NMC was set off against the liabilities instead of accounting it separately as an asset.

   This resulted in understatement of other non-current assets by ₹ 42.05 crore and understatement of liabilities to that extent.

6. This includes ₹ 181.01 crore paid as an advance to Ratnagiri Gas and Power Private Limited (RGPPL) in March 2014. MSEB Holding Company Ltd, the Holding Company is one of the promoters of RGPPL, holding equity shares worth ₹ 516.28 Crore. As mandated under Ind As 109, RGPPL assessed the fair value of its equity as negative ₹ 3355.00 Crore. Hence the Holding Company considered the fair value of its equity as Nil, with effect from the date of adoption of Ind AS i.e. 01.04.2015. Considering the compliance of Holding Company to the Ind AS 109 as above, the Company should have fully provided for the Expected Credit Loss (ECL) and considered the fair value of the above unsecured advance to RGPPL as Nil. Not doing so has resulted in overstatement of other non-current Assets by ₹ 181.01 crore with corresponding overstatement of retained earnings.

   Though this was commented upon by C&AG in its supplementary audit report of 2017-18 and 2018-19, no corrective action was taken by Management.

Current Liabilities

Financial Liabilities

Trade Payable - Others (Note 22) : ₹ 32119.46 crore

7. This includes 5.94 crore receivable from Municipal Corporation Greater Mumbai (MCGM) towards maintenance of street lights (after deducting the reinstatement charges payable to MCGM) which should have been shown as trade receivable as per Ind AS 32 instead of netting it off against Inabilities.

   Netting off assets against liabilities resulted in understatement of Current liabilities and Current assets by 5.94 Crore

C) COMMENTS ON CASH FLOW STATEMENT

Cash flow from Financing Activity

Grant Received : ₹ 917.67 Crore

8. This represents capital grant received from Govt. of India (GoI) for execution of IPDS & DDUGJY scheme. The amount of grant should have been classified under Investing Activities in accordance with Ind AS 7.

As per Para 6 of the Ind AS 7 "Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents" while "Financing activities are activities that result in changes in the size and composition of the contributed equity and barrowings of the entity". Further, ICAI's Expert Advisory Committee against Query no. 07 in compendium of opinions volume XXXVII on classification of capital grant received from GoI stated that capital grants received from GoI should be classified as cash flows from investing activities in Cash flow statements.

This resulted in overstatement of cashfrom Financing activities and understatement of cash from Investing activities.

D) OTHER COMMENTS

9. The company had not presented the basic and diluted earnings per share in the Statement of Profit and Loss as mandated by Ind AS 33 (Para 66 and Para 69).

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

Date: 28/03/2022
Place: Nagpur

(R Thiruppathi Venkatasamy)
Accountant General (Audit)-II
Maharashtra

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

MANAGEMENT REPLIES TOWARDS THE FINAL COMMENTS GIVEN BY CAG ON ACCOUNTS OF MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (MSEDCL) FOR THE FY 2020-21

Sr. No.	Comments of C & AG	Management's Replies
	Standalone Financial Statements:	
A)	**COMMENTS ON PROFITABILITY**	
1	**Statement of Profit and Loss. Revenue** **Revenue from Operations (Note 27) : ₹. 73,711.83 crore** This does not include ₹ 6.71 crore being maintenance charges receivable from the Municipal Corporation of Greater Mumbai (MCGM) during the year which should have been accounted as Income for the year. The maintenance charges receivable from the MCGM were being accounted on cash basis contrary to the stated accounting policy of the Company on revenue recognition. Non-accounting on accrual basis resulted in understatement of Revenue, overstatement of loss for the year and understatement of current assets (receivables) by ₹ 6.71 crore.	MSEDCL has undertaken the work of Street light maintenance on behalf of MCGM. Company incurs expenditure for Street Light and claims the same from MCGM as reimbursement. This is accounted for as expenditure in the books of MSEDCL and subsequently reduced from expenditure as it is reimbursement and not accounted as revenue as it is not revenue for the company. The accounting has been inadvertently done on the basis of adjustments made by MCGM instead of raising invoices on MCGM as and when expenditure was incurred. This has been rectified in FY 2021-22.
2	**Revenue** **Revenue from Operations (Note 27) ₹ 73,711.83 crore** This is understated by ₹ 32.21 crore being the amount of self consumption of electricity by the	In this regard it is to state that, the self or captive consumption of electricity is not to be treated as sales. Hence, the

Sr. No.	Comments of C & AG	Management's Replies
	company for the year which should have been booked to Administration and General Expenses instead of reducing the same from Revenue in order to have a true and fair view of the financial statements. This also resulted in understatement of Administration and General Expenses by ₹ 32.21 crore.	electricity expenditure is deducted from revenue.
	B) COMMENTS ON FINANCIAL POSITION	
3(A)	**Balance Sheet** **Assets** **Non-Current Assets** **Property, Plant & Equipment (Note 3)** **Owned Assets** **Freehold land : ₹ 10675.81 crore** This includes lease hold land valuing ₹ 1823.60 crore which should have been classified as lease hold land. Inclusion of lease hold land under free hold land resulted in overstatement of Freehold land & understatement of Lease hold land by ₹ 1823.60 crore.	The exercise of reconciling land details in Fixed Asset Register with the land records available with Civil Section such as agreements etc. has been started. The correct classification of Land i.e. Freehold Land / Leasehold Land and necessary rectification, if any, will be done once the exercise is completed.
3(B)	**Assets** **Non-current Assets** **Property, Plant & Equipment (Note- 3)** **Owned Assets** **Lease hold land : ₹ 107.81 Crore** This is overstated by ₹ 71.67 Crore being the un-amortize portion of lease hold land (valuing ₹ 86.29 crore) which was erroneously included under free hold land in 2019-20 and subsequently adjusted at the instance of audit. During the year, company adjusted the same but did not account for corresponding amortization on the lease hold land.	The necessary rectification for amortization will be done in FY 2021-22.

Sr. No.	Comments of C & AG	Management's Replies
	Consequently, this resulted in understatement of prior period expenses and overstatement of retained earnings by ₹ 71.67 Crore.	
4	**Financial Assets** **Other Financial Assets (Note-06)** **Security Deposits** **Other Deposits : ₹ 22.84 crore** This includes ₹ 1.32 crore being the amount paid to CIDCO for acquisition of leasehold land which was in possession of the company since 2014. The same was classified as other deposits instead of capitalizing the same and a provision for the same amount was also created. This resulted in understatement of fixed assets (leasehold land) and overstatement of other deposit by ₹. 1.32 crore.	The amount paid to CIDCO for land acquisition was inadvertently classified as Other deposits. The same has now been rectified in the F.Y. 2021-22.
5	**Other Non-Current Assets (Note-8) : ₹ 313.63 Crore** This does not include ₹. 42.05 crore being amount paid to Nagpur Municipal Corporation (NMC) for capital expenditure which was approved by MERC. Further, MERC had allowed MSEDCL to recover an additional charge from the related consumers (₹. 59.97 crore) which was accounted as liabilities. However, the amount paid to NMC was set off against the liabilities instead of accounting it separately as an asset. This resulted in understatement of other non-current assets by ₹. 42.05 crore and understatement of liabilities to that extent.	In the given case, as per MERC's order, the share of expenditure, for construction of distribution network to be borne by MSEDCL (erstwhile MSEB), was recovered from consumers and then paid to NMC. Since this amount has not been paid from internal sources of MSEDCL, this has not been shown as advance to NMC. For the work completed by NMC it has shared work completion reports in FY 2021-22. MSEDCL will create Assets in FY 2021-22 and credit consumer contribution account accordingly. As such there is no understatement of non-current asset to the tune of ₹. 42.05 crore and no understatement of corresponding liability.

Sr. No.	Comments of C & AG	Management's Replies
6	**Assets** **Note: 08** **Other Non-current assets : ₹ 313.63 Crore** This includes ₹. 181.01 crore paid as an advance to Ratnagiri Gas and Power Private Limited (RGPPL) in March 2014. MSEB Holding Company Ltd, the Holding Company is one of the promoters of RGPPL, holding equity shares worth ₹. 516.28 Crore. As mandated under Ind As 109, RGPPL assessed the fair value of its equity as negative ₹. 3355.00 Crore. Hence the Holding Company considered the fair value of its equity as Nil, with effect from the date of adoption of Ind AS i.e. 01.04.2015. Considering the compliance of Holding Company to the Ind AS 109 as above, the Company should have fully provided for the Expected Credit Loss (ECL) and considered the fair value of the above unsecured advance to RGPPL as Nil. Not doing so has resulted in overstatement of other non-current Assets by ₹. 181.01 crore with corresponding overstatement of retained earnings. Though this was commented upon by C&AG in its supplementary audit report of 2017-18 and 2018-19, no corrective action was taken by Management.	MSEDCL has shown Contingent liability of ₹. 4327.68 Crores for Financial Year 2020-21 for RGPPL. Hence, the advance of ₹. 181.01Crs will be adjusted against the Liability as & when it will materialize. The company does not expect any write off in this regards. Therefore, there is no need to provide ECL for the advance given.
7	**Current Liabilities** **Financial Liabilities** **Other Payable- Others (Note 22) : ₹321.19 crore** This includes ₹ 5.94 crore receivable from Municipal Corporation Greater Mumbai (MCGM) towards maintenance of street lights (after deducting the reinstatement charges payable to MCGM) which should have been shown as trade receivable as per Ind AS 32 instead of netting off against liabilities.	Street light maintenance work is undertaken by MSEDCL on behalf of MCGM. MCGM is required to reimburse the maintenance charges to MSEDCL. MCGM pays MSEDCL street light maintenance charges after deduction of certain charges and the net amount is shown as receivable or payable at the time of receipt/payment of dues.

Sr. No.	Comments of C & AG	Management's Replies
	Netting off assets against liabilities resulted in understatement of Current liabilities and current assets by ₹ 5.94 Crore.	Since this is reimbursement of charges and not actual revenue to the company the amount was not shown separately under trade receivables. The presentation of the receivable is net however separate ledgers are kept for receivable and payable by the company.
C)	**COMMENTS ON CASH FLOW STATEMENT.**	
8	**Cash flow from Financing Activity** **Grant Received : ₹ 917.67 Crore** This represents capital grant received from Govt. of India (GoI) for execution of IPDS & DDUGJY scheme. The amount of grant should have been classified under Investing Activities in accordance with Ind AS 7. As per Para 6 of the Ind AS 7 "Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents" while "Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity". Further, ICAI's Expert Advisory Committee against Query no. 07 in compendium of opinions volume XXXVII on classification of capital grant received from GoI stated that capital grants received from GoI should be classified as cash flows from investing activities in Cash flow statements. This resulted in overstatement of cash from Financing activities and understatement of cash from investing activities.	The observation is noted. Corrective action will be taken in FY 2021-22.
D.	**OTHER COMMENTS**	
9	The Company had not presented the basic and diluted earnings per share in the statement of Profit and Loss as mandated by Ind AS 33 (Para	In this connection it is clarified that, the Diluted EPS is shown in NOTE NO. 36 ADDITIONAL NOTES TO ACCOUNTS [Refer

Sr. No.	Comments of C & AG	Management's Replies
	66 and Para 69).	note no 36(16)]. Diluted EPS not shown in P&L statement in FY 2020-21. Same will be considered from next year onwards. The observation is noted.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MAHARASTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the Standalone Financial Statements of **Maharashtra State Electricity Distribution Company Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Qualified Opinion paragraph below (quantified to the extent possible), the aforesaid Standalone Financial Statements, read together with the matters described in the 'Emphasis of Matter' paragraph, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2021, its loss, total comprehensive income (financial performance), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matters described in **paragraphs 1 to 12** below. The effects of these matters (whether quantified or otherwise) on the Standalone Financial Statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material.

1. **Property, Plant & Equipment (PPE), Depreciation and Impairment:**

   a) As mentioned in Note 36(5) to the Standalone Financial Statements, due to non-availability of proper and complete records relating to date of capitalisation of PPE and Work Completion Reports, we have come across instances of non-capitalisation and/or delayed capitalisation (which is not in accordance with requirements of Ind AS 16 'Property Plant and Equipment'), with corresponding impact on depreciation. In the absence of proper audit trail, we are unable to quantify the impact arising on account of non-capitalisation/delayed capitalization, resultant depreciation, and consequential impact, if any, on the Standalone Financial Statements for the year under audit.

b) During the year, the Company has capitalised borrowing costs amounting to ₹. 1097.45 Lakhs (F.Y 2019-20 ₹. 239.07 Lakhs, F.Y 2018-19 ₹. 755.63 Lakhs) (refer Note 33) as part of cost of PPE. Capitalisation of borrowing costs has been done without identifying qualifying assets, without considering the principles of allocating interest on general and specific borrowings, without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers.

Further, the Company has capitalised employee cost and office & administrative expenses of ₹. 39,374.19 Lakhs (F.Y 2019-20: ₹. 43,158.74 Lakhs, F.Y 2018-19 ₹. 48,309.12 Lakhs) (Refer Note 30 & 32). The above expenses represent 15% of cost of additions to CWIP [Refer accounting policies on Property, Plant and Equipment as mentioned in Note 2(8)]. However, the Company does not have a practice of specifically identifying such expenses attributable to additions to CWIP/PPE. Capitalisation of these costs has been done without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers.

Such capitalisation of interest, employee cost and office and administrative expenses is not in accordance with requirements of Ind AS 23 'Borrowing Costs' read with Ind AS 16 'Property, Plant & Equipment'. In the absence of sufficient and appropriate audit evidence, we are not in a position to comment on the correctness of the amounts capitalized as above.

Further, employee costs, office and administrative expenses and borrowing costs have also been capitalised in earlier years on similar lines. As a result, the Property, Plant and Equipment are overstated by the amount capitalised and depreciation has also been overcharged. The impact of the same, however, cannot be ascertained and quantified.

c) No physical verification of Property, Plant and Equipment was conducted during the year by the management. As a result, the possible impact, if any, on the Standalone Financial Statements, based on outcome of such physical verification, if it had been conducted, could not be ascertained.

d) Capital Work in Progress includes Project Stock amounting to ₹. 3,11,305.18 Lakhs (F.Y 2019-20 ₹. 3,33,215.39 Lakhs, F.Y 2018- 19 ₹. 179,794.89 Lakhs) for which complete details as regards to movement during the year and the status as at 31st March 2021 for various projects has not been made available. In the absence of these details, we are unable to comment upon the consequential impact, if any, on the Standalone Financial Statements.

e) As stated in Note 36(12), the Company has carried out review of its assets with respect to economic performance. However detailed evaluation/working as to whether any impairment is warranted has not been made available to us. In the absence of such evaluation/working, we are unable to comment about the impact, if any, arising on account of impairment, as required to be provided under Ind AS 36 'Impairment of Assets'.

2. Leases:

a) As stated in Note no. 36(31)(ii), while recognising the lease assets (Right of Use Asset) and lease liabilities, the Company has excluded leases with lease rent payment of less than ₹. 10.00 Lakhs per month which is not in accordance with recognition criteria as specified in Ind AS 116 on Leases. In the absence of full details the impact of same on the Standalone Financial Statements cannot be ascertained.

b) In the absence of availability of adequate details, disclosures as required under Ind AS 116 have not been made.

3. Inventories other than Project Stock:

The Company has conducted physical verification of inventories at various locations. The Company has made provision for slow moving/non-moving stock/obsolete stock of ₹. 4,926.31 Lakhs (F.Y 2019-20 ₹. 2,444.79 Lakhs , F.Y 2018-19 ₹.2,590.22 Lakhs) based on the physical verification report. . In the absence of breakup of slow moving / non-moving/ obsolete stock duly reconciled with the ageing report from the system we are unable to comment on the adequacy of the provision made.

4. Expected Credit Loss (ECL) on Trade Receivables:

As stated in Note No. 36(6)(II)(i)(a) to the Standalone Financial Statements, the Company has made provision for expected credit loss under Ind AS 109 'Financial Instruments' in respect of trade receivables. In this regard attention is drawn to the following:

a) The Company has made provision for ECL of ₹. 651.77 Lakhs (Computed at the normal rate applied to Trade Receivables) (2019-20 ₹. 174.60, 2018-19 ₹. Nil) instead of providing for the entire amount of ₹. 16,294.16 Lakhs (2019-20 ₹. 13,127.71 Lakhs 2018-19 ₹.11,952.41) receivable from Spanco Nagpur Discom Limited, the Distribution Franchisee (Refer Note No. 36(9)(b)).

b) The Company has not considered trade receivables amounting to ₹. 2,34,920.00 Lakhs (F.Y 2019-20 ₹. 2,34,920.00 Lakhs, F.Y 2018-19 ₹.2,34,920 Lakhs) due from Mula Pravara Electric Co-op. Society Limited (MPECS).

c) The Company has not considered 100% ECL provision on the amount of interest (amount not ascertained) due from consumers, in whose case subsequent recognition of interest has been discontinued, following the accounting policy in respect of recognition of interest as enunciated in Note 2(5)(a)(v).

d) Note36(6)(II)(i)(a) relating to movement in ECL during the year. The Management has made provision for ECL on the basis of a provision matrix for various categories of consumers. Considering that there is a substantial increase in the trade receivables as a result of slow recovery following COVID 19 and that substantial amounts have been written off as bad debts in earlier years, we are unable to comment on the basis adopted for providing ECL and adequacy thereof.

In the absence of audit trail / adequate details in respect of matters stated in paragraphs (b) to (d) above, we are not in a position to comment on the consequential impact of the same on the Standalone Financial Statements of the Company for the year under audit.

5. **Unexplained Balances and Classification & Presentation thereof:**

a) The necessary data/ details pertaining to following accounts were not made available for verification during the course of audit.

(₹ in Lakhs)

General Ledger code	Account Description	Assets/ (Liabilities)
10303011	MISC. DEPOSIT FROM CONSUMER	(1,662.23)
10303013	Other Miscellaneous Deposits	(1,275.05)
10303015	Deposits from employees	(1.30)
10303019	Security Deposit Payable to Consumers	(5,568.94)
10303020	Amount under Saubhagya Scheme	(0.52)
10501002	Liability for amount payable to licensees	(471.74)
10501007	SD from Vendor capital	(1,289.32)
10501008	EMD received from supplier & contractor-Capital	(762.35)
10501009	Security Deposits from vendor O&M	(12,245.03)
10501010	EMD received from supplier & contractors - O&M	(5,169.32)
10501011	Security Deposits – Others	(766.02)
10501012	Refund of amount of Non-DDF Scheme	(10,020.74)
10501014	Retention money from suppliers, contractors	(2,11,211.45)
10501015	EMD received from Customer	(114.07)
10501017	SD received from Customer	(191.13)
10700501	Deposit for temporary service connections	(1,954.24)
10900605	Dishonour cheque feed to consumer	(77.63)
10902001	Liability for Supplies/ Works & Maintenance Material Vendor	(82,733.29)

(₹ in Lakhs)

General Ledger code	Account Description	Assets/ (Liabilities)
10902002	Payable to FI Vendor	(4,127.76)
10902004	Payable to Service Vendor	(29.19)
10902009	Payable to Employee as Vendor	(104.51)
10902103	Liability for expenses	(74,163.39)
10902107	Liabilities towards Employee Claims	(922.26)
10902108	Deposits from Employee	(47.04)
10902111	Provision for Expenses O&M	(9,465.49)
10902310	Deduction from salary payable to outside party	878.89
11000002	Provision for liability for expenses incurred by staff	(756.75)
10902104	Salary Payable	(42.56)
10902307	Life insurance Premium recovered	(25.41)
10902349	Recovery from Employee Salary payable to out side party	(5,681.17)
10902316	Welfare fund contribution recovered from employ under act	(0.94)
10902008	Payable to Licensees	(0.13)
10902116	Provision for Power Purchase Expenses	(1,61,449.21)
20600002	Advances to Suppliers/Contractor- Others	34,246.13
20600103	Other Deposits	2,284.09
20901022	Dues towards theft of	(2,520.47)
24000008	T.A. Advance	44.16
24000012	Medical Advances	383.12
24000013	L. T. C. Advances	7.19
24000017	Advances to ITI Training Fee	55.00
24100006	Interest accrued and not due on staff loans	21.92
24100007	Amount receivable from employees*	438.68
24100008	Amount receivable from ex- employees*	16.07
24100010	Amounts receivables from other State Electricity Boards*	9,429.45

24100018	Advance to prospective employees	18.49
24100023	Short remittance by collection agency & employee / Ex-employee*	668.78
24100024	Receivable from supplier contractor	76.82
20600205	Loans and Advances to Licensees*	31.34
20901513	Receivable from Scrap Customer	241.47
20901510	Sundry Debtor for sale in bulk-interstate	(18,233.64)

* These balances have been fully provided in the books.

In the absence of appropriate explanation/reconciliation, we are unable to comment upon accuracy of these balances.

The effect of the adjustments, if any, arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained.

b) The balances in various assets and liability accounts include

(i) balances carried forward since trifurcation period

(ii) balances uploaded on migration to SAP software,

for which adequate details are not available and as such we are unable to comment on such balances and the impact, if any, on the Standalone Financial Statements.

c) Further, in absence of necessary data/ details, we are unable to comment whether the classification of assets and liabilities in to Financial and Non-Financial, grossing up of assets and liabilities and their bifurcation in to Current and Non-Current are in accordance with the requirements of Ind AS 1 Presentation of Financial Statements, Ind AS 32 'Financial Instruments: Presentation' and Schedule – III to the Act.

d) The Company has various Purchase Orders (PO), which have not been executed as on balance sheet date. The Company has not mapped the Open Purchase Orders relating to capital items with capital advances and capital commitments disclosure. In the absence of such mapping, we are unable to comment on the accuracy of the disclosure made in Note 36(1)(III) towards capital and other commitments.

6. External Balance Confirmations/ Reconciliations:

a) Attention is drawn to Note 36(4) to Standalone Financial Statements - Balances of loans and advances, various other debit/credit balances and dues from government are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations followed by the Company needs to be strengthened further. In the absence of proper records / details, we are unable to ascertain the effect of the adjustments, if any, arising from reconciliations and settlement of old dues, possible loss /

profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.

b) Attention is drawn to Note 11 and Note 36(4) to the Standalone Financial Statements regarding non-availability of:

(i) Balance confirmations from Post Offices

The details in respect of balances with Post Office as per books of account for which confirmations are not available are as under:

(₹in Lakhs)

Financial Year	Balances with Post Office	
	Total Debit Balances	Total Credit Balances
2020-2021	33,277.31	23,215.56
2019-2020	36,410.80	26,313.08
2018-2019	28,480.38	18,936.05

(ii) Reconciliation of Post Offices for all circles

In the absence of availability of balance confirmations/reconciliations, we are unable to comment on the consequential impact, if any, of the same on the Standalone Financial Statements for the year under audit.

c) As stated in Note 36(21) to the Standalone Financial Statements, there is a difference of ₹. 9,71,175.00 Lakhs (F.Y 2019-20 ₹. 4,27,616.00 Lakhs, F.Y 2018-19 ₹.2,25,504.00 Lakhs) in balances receivable/payable as appearing in the books of account of the Company and the corresponding balances in the books of the group companies.

Further, as stated in Para B(2) of Annexure 'C' to our report, there are differences in receivables and payables between the other generation, distribution and transmission companies.

In the absence of reconciliation, we are unable to comment on the impact thereof, if any, on the Standalone Financial Statements.

d) In respect of variation of ₹.607.67 Lakhs in the balance as per the books of the Company and balance as appearing in the books of Contributory Provident Fund Trust (CPF) no details/ explanation has been provided. In the absence of adequate details we are unable to comment on the consequential impact on the statement of profit and loss account and retained earnings.

7. Refund of Regulatory Liability Charges:

As stated in Note no. 36(28), during FY 2003-04 to FY 2006-07, the Company had collected Regulatory Liability charges from the consumers. MERC had passed an order to refund an amount of ₹. 3,22,700 Lakhs (out of the amount collected) to the consumers. The Company has refunded ₹. 3,12,273 Lakhs upto 31.03.2021. (F. Y. 2019-20 ₹. 3,12,394 Lakhs, F. Y. 2018-19 ₹. 3,12,217 Lakhs) The Company has not made provision towards the balance amount of ₹. 10,427 Lakhs (F. Y. 2019-20 ₹. 10,306 Lakhs, F. Y. 2018-19 ₹. 10,483 Lakhs) refundable to the consumers.

8. Government Grants and Consumer Contributions:

a) As per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance', government grant for capital assets is recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortises the related costs of such capital asset. The Company assumes that all grants received are utilised and the assets are capitalised in the same year. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of grants, we are unable to comment on the consequential impact on the Standalone Financial Statements of the Company.

b) Consumer contribution for capital assets is recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortises the related costs of such capital assets. The Company assumes that all contributions received are utilised and the related assets are capitalised in the same year. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of consumer contribution, we are unable to comment on the consequential impact on the Standalone Financial Statements of the Company.

9. The contingent liabilities as disclosed in Note No. 36(1) is based on information as provided and confirmed by the management. In the absence of adequate documentation by the Company and adequate audit trail, we are unable to comment on the completeness of the disclosure of the contingent liabilities and whether any additional provision is required to be made. The consequential impact on the statement of profit and loss and retained earnings is not ascertainable.

10. Employee Benefit Expenses:

The Company has not carried out any actuarial valuation for interest shortfall on Post Employee Benefits - Defined Benefit Plan - Contributory Provident Fund (CPF) as per Ind AS 19 – Employee Benefits. The fund is administered by the Trustees of the Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). In the absence of any such valuation, we are not able to comment on the impact, if any, on the Statement of Profit and Loss for the year and Retained earnings.

11. Non provision of various expenses:

a) As mentioned in Note 36(1)(I)(iii)(B)(a)to(e) to the Standalone Financial Statements, on account of ambiguity in the method of computing the amount payable, which matter is pending before Supreme Court, the Company has not provided for the liability towards compensation for incremental coal cost pass through pursuant to New Coal Distribution Policy (NCDP) payable to various vendors amounting to approx. ₹. 14,44,604.59 Lakhs (F.Y 2019-20 ₹. 7,58,385.00 Lakhs , F.Y 2018-19 ₹.4,42,729.00 Lakhs).

b) As mentioned in Note 36(1)(I)(iii)(A)(c) to the Standalone Financial Statements, the Company has not provided for liability towards fixed charges payable to Ratnagiri Gas Power Private Limited (RGGPL) amounting to ₹.4,32,768.00 Lakhs (F.Y 2019-20 ₹. 4,22,856.23 Lakhs , F.Y 2018-19 ₹. 3,51,004.00 Lakhs). Sum of ₹. 18,101.07 Lakhs (F.Y 2019-20 ₹. 18,101.07 Lakhs, F.Y 2018-19 ₹. 18,101.07 Lakhs) paid to RGPPL has been shown as advances.

c) As mentioned in Note 36(9)(b) to the Standalone Financial Statements, the Company has not made provision of ₹. 21,697.25 Lakhs (F.Y 2019-20 ₹. 18,223.71 Lakhs) for amount payable to distribution franchisee, Spanco Nagpur Discom Limited on termination.

12. Other Items:

a) As stated in Note 36(27) to Standalone Financial Statements, every year the Company is required to invest in specified securities an amount equivalent to contingency reserve created during the preceding year as specified in the Maharashtra Electricity Regulatory Commission (MERC) Guidelines. The Company has not made any earmarked investments during the year. The total amount invested in earmarked investments as at 31st March 2021 is ₹. 31,339.78 Lakhs (F.Y 2019-20 ₹. 31,369.82 Lakhs, F.Y 2018-19 ₹. 18,572.55 Lakhs) as against the contingency reserve of ₹. 1,25,732.00 (F.Y 2019-20 ₹. 1,09,976.00 Lakhs, F.Y 2018-19 ₹. 95,700.00 Lakhs).

b) The Company has shown a sum of ₹. 1,89,619.12 Lakhs (F.Y 2019-20 ₹. 2,04,802.10 Lakhs F.Y 2018-19 ₹. 1,22,153.35 Lakhs) and ₹.82,733.29 Lakhs (F.Y 2019-20 ₹. 53,708.53 Lakhs, F.Y 2018-19 ₹. 70,207.98 Lakhs) as liabilities towards Clearing Goods Receipt Invoice Receipt (GRIR) and Liability for supplier Work & Maintenance respectively. These balances are net of debit balances. In the absence of requisite data and audit trail, we are not in position to ascertain the impact on the Assets and Liabilities of the Company.

c) Attention is drawn to Note 36(13) to the Standalone Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties. The liability on this account, if any, has not been quantified by the Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the loss for the year under audit. Due to non-identification of MSMED parties, the disclosures, as required by the relevant Statute have not been made by the Company.

d) There is a difference in balance of security deposit from consumers as per books of account and IT database as mentioned below [Refer Note No. 36(6)(II)(i)(a)(c)].

(₹ in Lakhs)

Particulars	Balance as on 31.03.2021 as per books of account (A)	Balance as on 31.03.2021 as per IT Database (B)	Differences (A)- (B)
Security deposits	8,53,102.56	8,44,713.04	8,389.52

The Company is in the process of reconciling the said differences.

e) The Company has availed a loan (sanctioned amount ₹. 8,50,000.00 Lakhs – amount outstanding as at 31st March 2021 ₹. 7,18,750.00 Lakhs (F.Y 2019-20 ₹. 7,51,250.00 Lakhs , F.Y 2018-19 ₹. 8,08,125.00 Lakhs) from Rural Electrification Corporation Limited (RECL). The said loan is guaranteed by the Maharashtra State Electricity Board Holding Company Limited (Holding Company) for which no amount has been charged by the Holding Company. The financial guarantee has, however, not been fair valued as required under Ind AS 109. As a result, the loss for the year is lower by ₹. 8,144.02 Lakhs and the accumulated balance in retained earnings is higher by ₹. 22,781.49 Lakhs as at 31st March 2021.

Various qualifications listed in paragraphs 1 to 12 above will have a consequential impact on provision for Income Tax, Regulatory Assets and Deferred Tax. Impact of the same is not ascertainable.

Our report for the preceding year was also modified in relation to paragraph no. 1(a to e), 2(a to b), 4(a to d), 5(a to d), 6(a to c), 7, 8(a to b), 9, 11(a to c), 12(a to e).

The effects of the matters described above, which could be reasonably determined/ quantified, on the elements of the accompanying Standalone Financial Statements are tabulated as under:

Impact on Statement of Profit & Loss

(₹ in Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2020-21
			Expenses/ (Income)
1	7	Non provision of expenses - RLC	10,427
2	11	Non provision of expenses - NCDP	14,44,604.59
3	11	Non provision of expenses - fixed charges	4,32,768
4	11	Non provision of expenses- DF liability	21,045.25
5	12	Non-Provision of Corporate Guarantee	8,144.02
6	12	Security deposits from Consumers	(8,389.52)
		Total	**19,08,599.34**

DIRECTORS' REPORT
MSEDCL STANDALONE
CONSOLIDATED
GRAPHS

Impact on Balance Sheet

(₹ in Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2020-21 Asset/ (Liability)
1	7	Current financial liabilities – Regulatory Liabilities	(10,427)
2	11	Non provision of expenses - Coal pass through	(14,44,604.59)
3	11	Non provision of expenses – Fixed charges	(4,32,768)
4	11	Non provision of expenses – DF liability	(21,045.25)
5	12	Security deposits from Consumers	8,389.52
6	12	Other Equity -Corporate Guarantee	(8,144.02)
7		Retained Earning	(19,23,236.81)

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Standalone Financial Statements* section of our Report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Standalone Financial Statements.

Material Uncertainty related to Going Concern

As stated in Note 36(2), the accumulated losses of the Company as at 31st March, 2021 are ₹.25,32,153.65 Lakhs (F.Y 2019-20 ₹. 24,00,537.21 Lakhs, F.Y 2018-19 ₹. 24,58,984.76 Lakhs) which exceed 50% of the net worth of the Company. The current liabilities as at 31st March 2021 are in excess of its current assets. Considering the fact that Government of Maharashtra is expected to infuse additional equity funds, as and when required, the Standalone Financial Statements have been drawn up on going concern basis. We have relied on the management assessment and our audit report is not modified in this regard.

Emphasis of Matters

Attention is invited to the following matters:

1. Attention is drawn to Note 36(1)(iii)(C)(a) relating to accounting in respect of Delayed Payment Surcharge (DPS). There is a variation in the method of computing interest as adopted by the Company and as adopted by Maharashtra State Power Generation Corporation Limited (MSPGCL). The Company has accounted for Delayed Payment Surcharge by apportioning the payments made towards principal outstanding as against apportionment towards interest by

MSPGCL. Besides there are some billing differences.

The amount to the extent disputed has been disclosed as contingent liability.

2. Attention is drawn to Note 36(1)(iii)(C)(b) in respect of DPS relating to Maharashtra State Electricity Transmission Company Limited (MSETCL) on amount of principal due as at 31st July 2015 being claimed by MSETCL despite direction for waiver by MSEB Holding Company. Besides, there are other differences which are pending resolution. The amount to the extent disputed has been disclosed as contingent liability.

3. Attention is drawn to Note 36(1) with regards to the Contingent Liabilities, which are significant in relation to the net worth of the Company at the year end.

4. As stated in Note No. 36(11)(1)(i), the Company has reversed Income Tax provision of ₹.11,074 Lakhs pertaining to FY 2019-20 based on the return of income filed for the said year considering the option under Section 115BAA under the Income Tax Act,1961.

5. As stated in Note 12 to the Standalone Financial Statements, the Company has made provision of ₹. 2378.02 Lakhs (F.Y 2019-20 ₹. 1,069.43 Lakhs , F.Y 2018-19 ₹. 2,551.43 Lakhs) for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable on balances outstanding as on transition date i.e. 01.04.2015 on account of impracticability instead of its origination date.

6. Attention is drawn to Note 36(1)(I)(v), the Company has been supplying electricity in the areas previously being serviced by Mula Pravara Electric Co-operative Society (MPECS) and has been using its infrastructure for the said purpose. The matter relating to payment of user charges is under dispute. Pending resolution of the dispute and in the absence of necessary contract, assessment as to applicability of Ind AS 116 has not been made.

7. Attention is invited to Note 36(37) on Company's assessment of its operations following the outbreak of Covid -19.

Our opinion is not modified in respect of these matters referred to in (1) to (7) above.

Information other than the Standalone Financial Statements and Auditors' Report:

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises of Director Report but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to communicate the matter to those charged with governance.

The annual report is expected to be made available to us after the date of auditors' report. Hence, we are not commenting in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended.

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Refer "Material Uncertainty related to Going Concern" paragraph above. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (hereinafter referred to as the 'Order') we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Being a Government Company, in view of the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs (MCA), provisions of section 197 of the Act are not applicable to the Company.

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

   i. We have sought and except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above read together with our comments as mentioned in para 3(iv), obtained all the information and explanations, which to the best of our knowledge and belief were, necessary for the purpose of our audit;

   ii. Except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, 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;

   iii. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;

   iv. Except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended;

   v. The matters described in the Basis for Qualified Opinion and Emphasis of Matters paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.

   vi. Being a Government Company, pursuant to Notification No. F.No. 1/2/2014-CL. V dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section (2) of section 164 of the Act are not applicable to the Company.

   vii. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

   viii. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer our separate Report in Annexure “B”. Our Report expresses disclaimer of opinion on the operating effectiveness of the Company’s internal control with reference to Standalone Financial Statements;

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

      a) Due to possible effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, we are unable to state whether the Company has adequately disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 36(1) to the Standalone Financial Statements;

b) Due to possible effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, we are unable to state whether the Company has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. According to the information and explanations given to us, the Company has not entered into any derivative contracts;

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

4. Report on Directions / Sub-Directions issued by Comptroller and Auditor General of India under sub-section (5) of section 143 of the Act

In terms of Directions issued by the Comptroller and Auditor General of India under sub-section (5) of section 143 of the Act and on the basis of such checks of the books and records of the Company, as we considered appropriate, and according to the information and explanation given to us, we give in the Annexure 'C', a statement on the matters specified in the said Directions.

For C N K & Associates LLP Chartered Accountants FRN-101961W/W-100036	**For Shah & Taparia** Chartered Accountants FRN-109463W	**For GMJ & Co,** Chartered Accountants FRN - 103429W
Sd/- **CA. Diwakar Sapre** Partner M. No. 040740 UDIN:21040740AAAAED4171	**Sd/-** **CA. Bharat Joshi** Partner M. No. 130863 UDIN:21130863AAAAMJ1857	**Sd/-** **CA Atul Jain** Partner M. No. 037097 UDIN:21037097AAAAGU5765

Place: Mumbai
Date: 24th November 2021

ANNEXURE A
TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" in Independent Auditors' Report of even date to the members of Maharashtra State Electricity Distribution Company Limited on the Standalone Financial Statements for the year ended on 31st March, 2021)

(i) (a) The Company has maintained proper records showing full particulars except quantitative details and records in respect of leasehold and freehold land and situation of fixed assets.

(b) Fixed assets have not been physically verified by the management during the year. Accordingly, we are unable to comment upon whether there are any material discrepancies with reference to book records.

(c) Complete details in respect of title deeds of immovable properties have not been made available to us. In the absence of these details we are unable to comment whether all the title deeds in respect of immovable properties are held in the name of Company.

(ii) During the year under audit, physical verification of inventories (other than Project Stock) has been conducted by the management at year end. Discrepancies noticed during physical verification of inventories, which in our opinion are not material, have been appropriately dealt with in the books of account.

(iii) As informed to us, the Company has maintained register under Section 189 of Companies Act 2013. In the absence of requisite details in the said register, we are unable to comment whether the Company has granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or other parties mentioned in the register maintained under Section 189 of the Act.

(iv) As informed to us, the Company does not have information relating to parties as specified in Section 185 of the Act. Hence, we are unable to comment whether the Company has granted / any loan, made any investments, given any guarantee or security in pursuance to section 185 of the Act. Since the Company is engaged in providing infrastructure facilities as specified in Schedule VI to the Act, provisions of section 186 are not applicable to the Company.

(v) As informed to us, the Company has various amounts payable to parties towards advances received/retention money/deposits /amounts to be refunded to consumers etc. In the absence of adequate details and audit trail, we are unable to comment whether any of these amounts get covered as deposits in terms of provisions of Section 73 to 76 read with Companies Deposit Rules, 2014. Further, as informed to us, no order has been passed by Company Law Board or

National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) The Central Government has prescribed maintenance of cost records u/s 148 of Act, along with rules prescribed thereunder in respect of distribution of electricity. The same have not been made available for our verification. In the absence of such records being made available, we are unable to comment upon the accuracy and completeness of the same.

(vii) (a) As explained to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities, including Provident Fund, Sales Tax, Income Tax, Custom duty, Excise duty, Value added Tax, Cess and other material statutory dues applicable to it, except in respect of tax deducted at source and GST. According to the information & explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues, which were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax, Value Added Tax, Goods and Service Tax and Cess which have not been deposited on account of any dispute except the following demands:

(₹ in Lakhs)

Name of Statute	Nature of the Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax along with Interest	36,781.11	A.Y. 2006-07	Bombay High Court
Income Tax Act, 1961	Penalty	258.00	A.Y. 2006-07	ITAT Mumbai
Income Tax Act, 1961	Tax along with Interest	80,286.94	A.Y. 2007-08	Bombay High Court
Income Tax Act, 1961	Tax along with Interest	23,326.41	A.Y. 2007-08	Bombay High Court
Income Tax Act, 1961	Penalty Demand	45,534.00	A.Y. 2007-08	Bombay High Court
Income Tax Act, 1961	Tax along with Interest	17,068.12	A.Y. 2008-09	Bombay High Court
Income Tax Act, 1961	Tax along with Interest	88,468.89	A.Y. 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Fringe Benefit Tax	232.21	A.Y. 2009-10	DCIT
Income Tax Act, 1961	Tax	7,721.04	A.Y. 2012-13	ITAT Mumbai
Income Tax Act, 1961	Tax	21,804.36	A.Y. 2014-15	ITAT Mumbai
Income Tax Act, 1961	Tax	126,893.00	A.Y. 2018-19	CIT (A)
Income Tax Act, 1961	TDS	913.30	Till A.Y. 2015-16	ITO (TDS)
Income Tax Act, 1961	TDS	14.83	A.Y. 2015-16	ITO (TDS)
Income Tax Act, 1961	TDS	6.24	A.Y. 2016-17	ITO (TDS)
Income Tax Act, 1961	TDS	9.92	A.Y. 2017-18	ITO (TDS)
Income Tax Act, 1961	TDS	20.99	A.Y. 2018-19	ITO (TDS)
Income Tax Act, 1961	TDS	4.99	A.Y. 2019-20	ITO (TDS)

Name of Statute	Nature of the Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	25.32	A.Y. 2020-21	ITO (TDS)
Income Tax Act, 1961	TDS	69.86	A.Y. 2021-22	ITO (TDS)
Central Excise & Service Tax Act, 1944	Penalty	0.40	F.Y. 2010-11	Commissioner (Appeals)
Central Excise & Service Tax Act, 1944	Penalty	0.40	F.Y. 2011-12	Commissioner (Appeals)
Central Excise & Service Tax Act, 1944	Penalty	0.60	F.Y. 2013-14	Commissioner (Appeals)
Central Excise & Service Tax Act, 1944	Penalty	0.05	F.Y. 2012-13 & F.Y. 2013-2014	Commissioner (Appeals)
Central Excise & Service Tax Act, 1944	Central Excise Duty, Interest and Penalty	10.61	F.Y. 2009-10	CESTAT
Central Excise & Service Tax Act, 1944	Central Excise Duty, Interest and Penalty	44.92	F.Y. 2011-12	CESTAT
Central Excise & Service Tax Act, 1944	Central Excise Duty, Interest and Penalty	0.29	F.Y. 2011-12	CESTAT
Central Excise & Service Tax Act, 1944	Central Excise Duty, Interest and Penalty	0.73	F.Y. 2011-12	CESTAT
Maharashtra Value Added Tax, 2002	MVAT	49,599.28	F.Y. 2005-06	Jt. Commissioner
Maharashtra Value Added Tax, 2002	MVAT	65,837.20	F.Y. 2006-07	Jt. Commissioner
Maharashtra Value Added Tax, 2002	MVAT	78,125.53	F.Y. 2008-09	Jt. Commissioner
Maharashtra Value Added Tax, 2002	MVAT	16.45	F.Y. 2009-10	Jt. Commissioner
Maharashtra Value Added Tax, 2002	MVAT	60665.36	F.Y. 2012-13	Jt. Commissioner
Central Sales Tax,	CST	37.85	F.Y. 2012-13	Jt. Commissioner
Maharashtra Value Added Tax, 2002	MVAT Penalty	33,778.99	F.Y. 2012-13	Jt. Commissioner
Central Sales Tax,	CST Penalty	15765.33	F.Y. 2012-13	Jt. Commissioner

Name of Statute	Nature of the Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax, 2002	MVAT	458.18	F.Y. 2013-14	Jt. Commissioner
Central Sales Tax,	CST	61.05	F.Y. 2013-14	Jt. Commissioner
Maharashtra Value Added Tax, 2002	MVAT	44,324.26	F.Y. 2014-15	Jt. Commissioner
Central Sales Tax,	CST	20.45	F.Y. 2014-15	Jt. Commissioner
Maharashtra Value Added Tax, 2002	MVAT	63,174.83	F.Y. 2015-16	Jt. Commissioner
Central Sales Tax,	CST	10.20	F.Y. 2015-16	Jt. Commissioner
Maharashtra Value added Tax, 2002	MVAT	82,404.70	F.Y. 2016-17	Jt. Commissioner
Service Tax Act, 1994	Service Tax	366.44	F.Y. 2012-13 to A.Y. 2016-17	CESTAT
Service Tax Act, 1994	Service Tax	44,584.74	F.Y. 2012-13 to F.Y. 2017-18	Appeal at Adjudication

(viii) Attention is drawn to Note No. 36(26) relating to suspension of payment of principal and interest in respect of loan from Power Finance Corporation (PFC) under R-APDRP (A) Scheme pending its conversion from loan to grant. According to the information and explanations given to us, except for the above, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and Government. The Company has not issued any debentures.

(ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has neither raised money by way of initial public offer or further public offer (including debt instruments). In the absence of adequate details, we are unable to comment, as to whether the term loans obtained during the year have been applied for the purpose for which they were obtained.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, except for two instances of fraud by employees of the Company (amount involved ₹. 102.83 Lakhs), we have not come across any fraud by the Company or on the Company by its officers or employees.

(xi) Being a Government Company, in view of the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs (MCA), provisions of section 197 of the Act are not applicable to the Company. Accordingly, clause 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, provisions of section 177 are not applicable to Company. Subject to our comments in clause (iii) above, relating to non-availability of adequate details of related parties, transactions with related parties have been disclosed in the standalone financial statements as required under relevant Accounting Standards.

(xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has neither made any preferential allotment, private placement of shares nor issued any debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with the directors or persons connected with him during the year under review. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For C N K & Associates LLP Chartered Accountants FRN-101961W/W-100036	**For Shah & Taparia** Chartered Accountants FRN-109463W	**For GMJ & Co,** Chartered Accountants FRN - 103429W
Sd/- **CA. Diwakar Sapre** Partner M. No. 040740 UDIN:21040740AAAAED4171	**Sd/-** **CA. Bharat Joshi** Partner M. No. 130863 UDIN:21130863AAAAMJ1857	**Sd/-** **CA Atul Jain** Partner M. No. 037097 UDIN:21037097AAAAGU5765

Place: Mumbai
Date: 24th November 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls with reference to Standalone Financial Statements of **Maharashtra State Electricity Distribution Company Limited** as at 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

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 Standalone 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls 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.

Disclaimer of Opinion

According to the information and explanation given to us and based on our audit, as informed to us, during the year, the Company has established a framework for internal financial controls with reference to Standalone Financial Statements on the criteria based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India. In this regard, the Company has identified various risks and the related controls. However, as informed to us, the Company has not tested these controls for their operating effectiveness before 31st March 2021. Further, the Company has provided to us only partial information/ data for our testing of the controls for their operating effectiveness. The details of various risks and controls identified by the Company and the partial information / data provided for our testing have been made available to us post 31st March 2021. In the absence of testing of the design of all documented risks and controls and their operating effectiveness before 31st March 2021, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial control over financial reporting and whether such internal financial control were operating effectively as on 31st March, 2021. Accordingly, we do not express any opinion on the adequacy of the internal financial controls and the operating effectiveness thereof as at 31st March 2021.

We have, however, considered the above factors in determining the nature, timing and audit tests applied in our audit of the Standalone Financial Statements of the Company. Wherever, during the course of our audit, we have identified weaknesses in internal financial controls over financial reporting, that are likely to affect our opinion on the Standalone Financial Statements of the Company, we have issued a qualified opinion on the Standalone Financial Statements.

For C N K & Associates LLP Chartered Accountants FRN-101961W/W-100036	**For Shah & Taparia** Chartered Accountants FRN-109463W	**For GMJ & Co,** Chartered Accountants FRN - 103429W
Sd/- **CA. Diwakar Sapre** Partner M. No. 040740 UDIN:21040740AAAAED4171	**Sd/-** **CA. Bharat Joshi** Partner M. No. 130863 UDIN:21130863AAAAMJ1857	**Sd/-** **CA Atul Jain** Partner M. No. 037097 UDIN:21037097AAAAGU5765

Place: Mumbai
Date: 24th November 2021

ANNEXURE - C
TO THE AUDITORS' REPORT

This report is in supersession to Annexure C of our report dated 24th November 2021, under UDINs: 21040740AAAAED4171; 21130863AAAAMJ1857; 21037097AAAAGU5765

Comments on the Directions u/s. 143(5) of the Companies Act, 2013

(Referred to in paragraph 4 under "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of Maharashtra State Electricity Distribution Company Limited (hereinafter referred as "the Company") on the Standalone Financial Statements for the year ended 31st March, 2021).

Sr. No.	A. Directions	Auditors' Comments
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The company has system in place to process all the accounting transactions through IT system. Company uses ERP- SAP FICO (Finance and Controlling) module for accounting. Company uses SAP Material Management, SAP Project Systems & SAP Plant Maintenance software and other Custom SAP module such as Power Purchase and accounting entries from these modules are integrated with FICO module. Apart from the above the below are integrated into SAP through Interface: 1. Consumer Billing through Billing software. 2. Consumer Collection entries through Online Cash Collection System software. 3. Employee payroll entries through HRMS Payroll software. All accounting transactions are routed through the IT system whether through Oracle, Custom package or SAP. In case of HRMS, employee records are maintained in Oracle HRMS

Sr. No.	A. Directions	Auditors' Comments
		database and salary and other claims transactions are processed through HRMS Oracle and then transaction file is generated through SQL program which is captured on FTP (File transfer Protocol) server and posted to SAP through interface through ABAP scheduler programs which cannot be modified on live production system.
2)	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender Company).	As per the information and explanation provided to us, during FY 2020-21, there are no cases of restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest, etc. made by a lender of the company due to company's inability to repay the loan.
3)	Whether funds (grants/ subsidy etc.) received/ receivable for the specific schemes from Central/ State Government or its agencies were properly accounted for /utilized as per its terms and conditions? List the cases of deviation.	Funds (grants/subsidy etc.) received/receivable for schemes from Central/State Government or its agencies for F.Y. 2020-21 have been properly accounted. Based on the verification done by us and the utilization certificates issued by independent CA firms (wherever made available to us), the funds (grants/subsidies) received have been utilized as per the terms and conditions of the grant.

<table>
<tr><th>Sr. No.</th><th>B. Sub Directions</th><th>Auditors' Comments</th></tr>
<tr><td>1)</td><td>Has the company entered into agreement with franchisees for distribution of Electricity in selected areas and revenue sharing agreement adequately protect the financial interest of the Company?</td><td>As per information and explanations provided to us, during the year, the Company was having transactions with 3 Franchisees based on terms of agreement and same are listed below:
1. M/s Torrent Power Limited for Bhiwandi Circle – The agreement dated 20th December 2006 is effective for the period commencing from 25th January 2017 to 25th January 2027 post renewal
2. M/s CESC Limited for Malegaon Circle – The agreement dated 29th May 2019 is effective for the period commencing from 1st March 2020 to 1st March 2040.
3. M/s Torrent Power Limited for Thane Urban Circle – The agreement dated 11th February 2019 is effective for the period commencing from 1st March 2020 to 1st March 2040.
The Company has supplied power to the above-mentioned franchises in selected areas. The rates charged to such franchises are not below the average cost of purchase paid by the company.</td></tr>
<tr><td>2)</td><td>Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.</td><td><u>For Group Companies:</u>
Reconciliation of balances of receivables & payables in respect of as on 31st March 2021 between the Company and Maharashtra State Power Generation Company Limited (MSPGCL) and Maharashtra State Electricity Transmission Company Limited (MSETCL) has been completed and the reasons for variations have been identified. The Company is in the process of resolution of these differences.
For Others:
A. Reconciliation of the balances of vendors for supply of Non Renewable Energy have been made available to us and the reasons for variations have been identified. The Company is in the process of resolution of these differences
B. Reconciliation of the balances of vendors for supply of Renewable Energy have not been made available to us.</td></tr>
</table>

Sr. No.	B. Sub Directions	Auditors' Comments
		In the absence of detailed reconciliation, we are unable to comment on the reasons for differences. Also refer to clause 6(c) of basis of qualification of our audit report relating to differences of intercompany balances. As informed to us and as represented by the management, the main reasons for variation / the items in reconciliation include accounting of Delayed Payment Charges (DPC), Rebate, Charges related to change in law, Capacity Charges, Energy Bills, FAC Bills, Arrears of HT Consumer etc.
	How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Govt. shortfall if any may be commented?	The Government of Maharashtra (GOM) provides concession in rate towards sale of power to certain categories of consumers. During the year, the Company has been allowed the following subsidy against supply power at concessional rate to the specified category of consumers. (₹. in Lakhs)

Particulars	Amount
Opening Balance of Subsidy Receivable as on 01.04.2020	3,09,423
Add: Subsidy given to Consumers in FY 2020-21	9,48,387
	12,57,810
Less: Subsidy Received / Adjusted up to FY 20-21	8,18,490
Closing Balance as on 31.03.2021	4,39,320

Sr. No.	B. Sub Directions	Auditors' Comments
4)	Report on the efficacy of the system of billing and collection of Revenue in the Company. Further, Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.	As informed and represented to us (and relied upon by us being technical matter): The meters installed for both HT/LT consumers in MSEDCL are as per IS: 13779/199 & IS 14697 amended up to date and other relevant IS specifications including CBIP Tech report 104 amended up to date, IEC 62053-21 Specification for AC Static watt-hour meter for class 1&2 IS: 15959/2011 amended up to date for Data Exchange for Electricity Meter Reading, Tariff & Load control- common specification CEA

Sr. No.	B. Sub Directions	Auditors' Comments
		regulations and & MERCs guidelines with latest amendments. All the meters have all the anti-tamper features as: 1 Accuracy test for Single Phase Meter for phase & Neutral channel for same magnitude of current one by one. 2 Accuracy test for Single Phase Meter in case of reverse power for phase & Neutral channel for same magnitude of current one by one. 3 Facility to disconnection neutral for all meters physically by connection. 4 CT open, Unbalance and reverse current test for Three Phase Meters 5 PT missing, voltage unbalance and reverse phase sequence, etc 6 The Single RF meters installed are sharing real time data through DCU installed and monitoring of tamper data, bill data is started. 7 Similarly, the 40-200 A embedded meters are AMR compatible through which real time data monitoring and capturing of tampers, theft is getting supervised. 8 Validation checks are implemented in billing system to filter out odd consumption. 9 The SOP for meter replacement is set and meters are getting replaced of faulty status consumers. Similarly for recovery of the arrears following actions are taken: 1. The Company prepares monthly collection reports and compares with billing and pursues with field offices for the recovery of outstanding. Special disconnection drives are undertaken for recovery of dues. 2. Various Schemes like PD Amnesty Scheme, Abhay Yojana Schemes were launched for recovery of old dues. Installment & OTS scheme is also implemented for suffered industries during pandemic of COVID-19.

Sr. No.	B. Sub Directions	Auditors' Comments
		3. Bill payment of all HT consumers is accepted through RTGS. All consumers are encouraged to make online payment and different avenues for digital payment like e-wallet, payment through Mahadiscom website has have been made available to consumers. 4. Company has installed advance technology meters like RF (Radio Frequency) & IR (Infrared) technology to consumers of high revenue pockets. Readings of all IP consumers above 20HP are taken through Meter Reading Instruments. Reading of all HT consumers are taken through AMR (Automatic Meter Reading) & MRI. 5. Regarding installation of tamper proof meters, MSEDCL has approx.280 Lakhs consumers out which approx. 265 Lakhs consumers are metered and all meters are tamper proof. Only approx. 15 Lakhs consumers are under unmetered agriculture (AG) category. 6. Vide MERC order no 322 dated 30.03.2020, Hon'ble Commission has instated Agriculture Sale and directed adopt Feeder Input based Billing methodology for agriculture Billing for selected 502 AG Feeders. a) AG Sale of the Feeder (Units) = Feeder Input (Units) - % Technical loss as suggested by Commission – Non AG Sale on the Feeder (Units) b) AG Index (kWh/HP) = AG Sale (Units) / AG Connected kload HP on the feeder c) Units billed for consumer = AG Index (kWh/HP) * Connected Load (HP) d) For the Agriculture consumers connected on feeders other than 502 feeders, the methodology is same as previous. The unfeeded consumers will be billed as per meter reading and the unmetered consumers will be billed as per HP tariff and sale of the unmetered consumers will be derived from normal status metered consumers. e) For arresting losses distribution feeder wise energy

Sr. No.	B. Sub Directions	Auditors' Comments
		audit is carried out at different level and necessary action is being taken such as maintenance of lines and equipment's upgradation system improvements of equipments, curbing of theft to reduce energy losses and improve billing efficiency. 7. The following method is adapted for billing of unmetered AG sale of Low Tension (LT) unmetered Ag consumer. a) At the end of quarter, IT section computes quarterly Sub- division wise kwh/HP Indices units b) While computing kwh/HP norm, only the consumers with NORMAL meter status having progressive reading (negative and zero consumption excluded) will be considered. c) Consumption of consumers having consumption greater than 224 kWh/hp/month will be CAPPED to 224kWh/hp/month d) Rationale behind CAP of 224 kwh/HP/Month is Maximum 3000 Running hours per year and 300 days of operation = 3000 / 300 = 10 Hours per day 0.746 kw(1hp) X 10 Hrs X 30 days = 224 kWh / HP/Month e) This Subdivision wise kwh/HP Index computed will be used to compute quarterly consumption of unmetered agriculture consumers in subdivision. The method is approved by MERC. 8. Dashboard web page is created on which daily updates regarding the Demand/recovery arrears position can be division wise seen **(Link:-www.mahadiscom.in/dashboard).** It was observed that in respect of tamper proof meters acquired and installed in earlier years, there were certain instances where meters installed were found defective. The Company has taken legal action against the suppliers for the defective supplies. In the absence of adequate information/details, we are unable to comment whether these defective meters have been replaced.

Sr. No.	B. Sub Directions	Auditors' Comments
5)	Whether Profit & Loss mentioned in Audit report is as per Profit and loss statement of the Company.	Amount of Profit / Loss is not required to be mentioned in the audit report. However, our audit report is with reference to the Loss as per the Statement of Profit & Loss forming part of the Standalone Financial Statements.
6)	Whether the Company recovers Fuel and Power Purchase Adjustment Cost (FPPCA) and accounts for as approved by the Maharashtra Electricity Regulatory Commission (MERC)?	As per information and explanations provided to us, the Company calculates monthly Fuel Adjustment Cost (FAC) and recovers the same from the consumers. The same is accounted as revenue from consumers. The quarterly statement of FAC to be recovered is sent to MERC for vetting and post facto approval.
7)	Whether the Liabilities and other financial implications arising due to implementation of UDAY (Ujwal Discom Assurance Yojana) have been correctly accounted for may be examined.	As per the information and explanations provided to us, read together with our observations stated in the audit report, the liabilities and other financial implications arising due to implementation of UDAY Scheme which has NIL balance as on 31st March 2021 and has been correctly accounted for. Also refer Note No. 36(23) to Standalone Financial Statements regarding accounting of UDAY Scheme.
8)	Examine whether the provisions of the Companies Act were followed w.r.t to reporting and disclosures of CSR activities.	As stated in Note 36(36), while MSEDCL in the past 3 successive years has been able to generate a book profit, considering the unadjusted losses of earlier years which based on opinion obtained are available for set off against the said profits, there is no average net profit as computed as per section 198 of the Companies Act,2013. Thus in pursuance to the provisions mandated in section 135(5) of the Companies Act, 2013, the Company is not liable to spend any amount towards CSR.

For C N K & Associates LLP	For Shah & Taparia	For GMJ & Co,
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN-101961W/W-100036	FRN-109463W	FRN - 103429W
Sd/-	Sd/-	Sd/-
CA. Diwakar Sapre	CA. Bharat Joshi	CA Atul Jain
Partner	Partner	Partner
M. No. 040740	M. No. 130863	M. No. 037097
UDIN:21040740AAAAED4171	UDIN:21130863AAAAMJ1857	UDIN:21037097AAAAGU5765

Place: Mumbai
Date: 24th November 2021

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(₹. in Lakhs)

	PARTICULARS	Note No.	As at 31 Mar 21	As at 31 Mar 20	As at 01 Apr 19
I	**ASSETS**				
1	**NON-CURRENT ASSETS**				
	(a) Property, plant and equipment	3	63,56,730.81	62,40,593.96	60,96,496.40
	(b) Right to use of asset	3	7,712.87	11,569.31	-
	(c) Capital work-in-progress		3,86,827.82	4,73,388.67	3,27,629.16
	(d) Intangible assets	3A	1,121.59	206.05	441.31
	(e) Intangible assets under development		-	1,153.86	1,153.86
	(f) Financial assets				
	(i) Investments	4	31,339.78	31,369.80	18,572.57
	(ii) Loans	5	-	-	
	(iii) Other financial assets	6	87,881.30	83,367.69	72,885.30
	(g) Non Current Tax Assets (Net)	7	9,060.60	5,132.86	5,114.52
	(h) Other non-current assets	8	31,363.45	38,583.53	42,972.05
	TOTAL NON-CURRENT ASSETS		**69,12,038.22**	**68,85,365.73**	**65,65,265.17**
2	**CURRENT ASSETS**				
	(a) Inventories	9	35,460.57	51,059.39	37,096.72
	(b) Financial assets				
	(i) Trade receivables	10	48,97,471.72	39,45,989.12	30,06,095.48
	(ii) Cash and Bank Balances	11	78,085.78	2,37,629.95	1,22,609.17
	(iii) Loan	12	31,128.73	33,657.08	34,798.96
	(iv) Other financial assets	13	7,40,568.41	7,93,321.89	9,90,954.45
	(c) Other current assets	14	28,172.51	20,131.88	19,516.65
	TOTAL CURRENT ASSETS		**58,10,887.72**	**50,81,789.31**	**42,11,071.43**
	TOTAL ASSETS BEFORE REGULATORY ASSETS		**1,27,22,925.94**	**1,19,67,155.04**	**1,07,76,336.60**
	Regulatory Assets	36(7)	**19,07,867.63**	**16,16,948.63**	**9,15,873.63**
	TOTAL ASSETS AFTER REGULATORY ASSETS		**1,46,30,793.57**	**1,35,84,103.67**	**1,16,92,210.23**
I	**EQUITY & LIABILITIES**				
1	**EQUITY**				
	(a) Equity Share Capital	15	47,72,398.49	47,72,398.49	47,61,431.99
	(b) Other Equity	16	(24,74,453.65)	(23,42,837.20)	(24,01,284.77)
	TOTAL EQUITY		**22,97,944.84**	**24,29,561.29**	**23,60,147.22**
2	**NON-CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	17	27,36,337.89	28,75,191.05	23,17,133.34
	(ii) Other financial liabilities	18	9,30,668.46	8,93,381.49	9,24,097.67
	(b) Provisions	19	4,39,688.58	4,14,559.27	3,67,668.24
	(c) Other non-current liabilities	20	9,59,415.18	9,36,164.81	9,18,906.35
	TOTAL NON-CURRENT LIABILITIES		**50,66,110.11**	**51,19,296.62**	**45,27,805.60**
3	**CURRENT LIABILITIES**				
	(a) Financial liabilities				
	(i) Borrowings	21	2,85,852.18	4,97,935.51	4,57,853.51
	(ii) Trade payables				
	Micro, Small and Medium Enterprises	36(13)	-	-	-
	Others	22	32,11,946.34	20,38,126.61	17,76,038.40
	(iii) Other financial liabilities	23	30,16,583.51	25,22,833.36	18,61,267.14
	(b) Provisions	24	5,07,734.40	6,18,672.14	4,27,975.09
	(c) Other Current Liabilities	25	2,44,622.19	3,46,472.44	2,56,187.14
	(d) Current Tax Liabilities (Net)	26	-	11,205.70	24,936.12
	TOTAL CURRENT LIABILITIES		**72,66,738.62**	**60,35,245.76**	**48,04,257.40**
	TOTAL LIABILITIES		**1,23,32,848.73**	**1,11,54,542.38**	**93,32,063.00**
	TOTAL EQUITY AND LIABILITIES		**1,46,30,793.57**	**1,35,84,103.67**	**1,16,92,210.23**

See accompanying notes to the Financial Statement Note 1-36

<u>**As per our Report of even date**</u>

<u>**For and on behalf of the Board**</u>

For C N K & Associates LLP
Chartered Accountants
(FRN : 101961W/W100036)

Sd/-
(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

Sd/-
Ravindra Sawant
Director (Finance)
DIN No.08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No.05169675

For Shah & Taparia
Chartered Accountants
(FRN : 109463W)

Sd/-
(CA Bharat Joshi)
Partner (ICAI M.No.130863)

Sd/-
Swati Vyavahare
Executive Director (F &A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

For GMJ & Co
Chartered Accountants
(FRN : 103429W)

Sd/-
(CA Atul Jain)
Partner (ICAI M.No.037097)

Sd/-
Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 24/11/2021

Place : Mumbai
Date : 24/11/2021

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹. in Lakhs)

PARTICULARS	Note No.	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Revenue			
Revenue from Operations	**27**	73,71,183.42	73,76,144.40
Other Income	**28**	5,76,311.14	8,44,181.56
Total Revenue		**79,47,494.56**	**82,20,325.96**
Expenses:			
Purchase of Power	**29**	62,65,139.70	67,49,920.12
Employee Benefit Expenses	**30**	5,37,239.39	5,18,557.02
Repairs and maintenance	**31**	1,12,765.63	74,891.79
Administration and General Expenses	**32**	66,178.06	65,970.63
Finance Expenses	**33**	5,72,210.79	4,50,641.80
Depreciation and Amortisation	**34**	3,39,454.07	3,06,907.32
Other Expenses	**35**	4,88,660.02	6,72,877.50
Total Expenses		**83,81,647.66**	**88,39,766.18**
Profit/(loss) Before Regulatory Income / (Expense) & Tax		**(4,34,153.10)**	**(6,19,440.22)**
Add / (Less): Regulatory Income / (Expense)	**36 (7)**	**2,90,919.00**	**7,01,075.00**
Profit/(loss) Before Tax		**(1,43,234.10)**	**81,634.78**
Tax expense:			
Current Tax			
Current Year	**36(11)**	-	13,180.42
Earlier Year	**36(11)**	(11,074.30)	-
Deferred Tax	**36(11)**	-	-
Total Tax Expenses		**(11,074.30)**	**13,180.42**
Profit/(loss) for the year		**(1,32,159.80)**	**68,454.36**
Other Comprehensive Income			
i) Items that will not be reclassified to Profit and loss			
Remeasurement of defined benefit plans	**36(10)**	543.35	(12,112.91)
Tax relating to Items that will not be reclassified to Profit and loss		-	2,106.12
ii) Items that will be reclassified to Profit and loss			
Tax relating to Items that will be reclassified to Profit and loss		-	-
Other Comprehensive Income for the year (net of tax)		**543.35**	**(10,006.79)**
Total Comprehensive Income for the year		**(1,31,616.45)**	**58,447.57**

See accompanying notes to the Financial Statement Note 1-36

As per our Report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
(FRN : 101961W/W100036)

Sd/-
(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

Sd/-
Ravindra Sawant
Director (Finance)
DIN No.08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No.05169675

For Shah & Taparia
Chartered Accountants
(FRN : 109463W)

Sd/-
(CA Bharat Joshi)
Partner (ICAI M.No.130863)

Sd/-
Swati Vyavahare
Executive Director (F &A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

For GMJ & Co
Chartered Accountants
(FRN : 103429W)

Sd/-
(CA Atul Jain)
Partner (ICAI M.No.037097)

Sd/-
Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 24/11/2021

Place : Mumbai
Date : 24/11/2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

I. Equity Share Capital

(₹. in Lakhs)

PARTICULARS	NO OF SHARES	AMOUNT
As at 01.04.2019	**47,61,43,19,844**	**47,61,431.99**
Changes in Equity share capital	10,96,65,000	10,966.50
As at 31.03.2020	**47,72,39,84,844**	**47,72,398.49**
Changes in Equity share capital	-	-
As at 31.03.2021	**47,72,39,84,844**	**47,72,398.49**

II. OTHER EQUITY

(₹. in Lakhs)

PARTICULARS	RESERVES & SURPLUS		ITEMS OF OTHER COMPREHENSIVE INCOME (OCI)	TOTAL OTHER EQUITY
	STATUTORY RESERVE [NOTE NO. 36(27)]	RETAINED EARNINGS	REMESUREMENT OF DEFINED BENEFIT PLAN	
As at 01.04.2019	**57,700.00**	**(24,00,109.20)**	**(58,875.54)**	**(24,39,240.24)**
Profit or loss for the year		68,454.36		68,454.36
Other comprehensive income for the year			(10,006.79)	(10,006.79)
Addition during the year				10,966.50
Shares allotted during the year				(10,966.50)
As at 31.03.2020	**57,700.00**	**(23,31,654.84)**	**(68,882.33)**	**(23,80,792.67)**
Profit or loss for the year		(1,32,159.80)		(1,32,159.80)
Other comprehensive income for the year			543.35	543.35
Addition during the year				-
Shares allotted during the year				-
As at 31.03.2021	**57,700.00**	**(24,63,814.64)**	**(68,338.98)**	**(24,74,453.62)**

As per our Report of even date	**For and on behalf of the Board**	
For C N K & Associates LLP Chartered Accountants (FRN : 101961W/W100036)		
Sd/- **(CA Diwakar Sapre)** Partner (ICAI M.No. 040740)	**Sd/-** **Ravindra Sawant** Director (Finance) DIN No.08778424	**Sd/-** **Vijay Singhal (IAS)** Chairman and Managing Director DIN No.05169675
For Shah & Taparia Chartered Accountants (FRN : 109463W)		
Sd/- **(CA Bharat Joshi)** Partner (ICAI M.No.130863)	**Sd/-** **Swati Vyavahare** Executive Director (F &A)	**Sd/-** **Anjali Gudekar** Company Secretary M.No. ACS19937
For GMJ & Co Chartered Accountants (FRN : 103429W)		
Sd/- **(CA Atul Jain)** Partner (ICAI M.No.037097)	**Sd/-** **Neeta Vernekar** Chief General Manager (CA) (In Charge)	
Place : Mumbai Date : 24/11/2021	Place : Mumbai Date : 24/11/2021	

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹. in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax and before regulatory deferral account balance	**(4,34,153.10)**	**(6,19,440.22)**
Add: Net movement in regulatory deferral account balance	**2,90,919.00**	**7,01,075.00**
Net Profit/(Loss) before Tax (including net movement in regulatory deferral account balance)	**(1,43,234.10)**	**81,634.78**
Adjustments for:		
Depreciation and amortisation expenses	3,39,454.07	3,06,907.32
Finance Costs	5,71,114.64	4,46,652.46
Expected Credit Loss (Trade Receivable)	4,20,198.72	3,25,842.87
Expected Credit Loss (Loans & Advances)	2,522.27	(414.18)
Provision for Employee advances	-	-
Amortisation of premium on investment	30.02	10.66
Interest Income	(2,681.86)	(2,198.70)
Interest on Lease Liability	1,079.63	1,433.80
Regulatory Deferral Account Balance	(2,90,919.00)	(7,01,075.00)
Provision for Interest on Income Tax		2,555.54
Profit on sale of asset	(1,169.12)	(924.92)
Operating Profit before Changes in Working Capital {Sub Total - (i)}	**8,96,395.27**	**4,60,424.63**
Movements in Working Capital		
(Increase) / Decrease in Other Non current assets	7,220.08	4,388.52
(Increase) /Decrease in Inventories	15,598.82	(13,962.67)
(Increase) / Decrease in Trade Receivables	(13,71,681.32)	(12,65,736.51)
(Increase) /Decrease in Other Non Current financial assets	(4,513.61)	(10,482.39)
(Increase) /Decrease in Other financial assets-Current	52,340.78	1,98,371.18
(Increase) /Decrease in Other assets-Current	(8,040.63)	(615.23)
Increase / (Decrease) in Trade Payables	11,73,819.73	2,62,088.21
Increase / (Decrease) in financial liabilities-Current	3,66,152.98	6,23,874.22
Increase / (Decrease) in Other Non Current financial liabilities	37,286.97	(30,716.18)
Increase / (Decrease) in Provisions	(85,265.08)	2,25,475.17
Increase / (Decrease) in Other Non Current liabilities	(68,516.58)	(1,77,536.77)
Increase / (Decrease) in Other Current liabilities	(1,01,850.25)	90,285.30
Sub Total - (ii)	**12,551.89**	**(94,567.15)**
Total (i)+(ii)	**9,08,947.16**	**3,65,857.48**
Less : Direct Taxes paid	**4,059.15**	**27,378.59**
Net Cash from Operating Activities (A)	**9,04,888.01**	**3,38,478.89**

B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment & Intangible Assets, CWIP	(2,46,338.29)	(3,56,352.23)
Grant Utilised for Property, Plant & Equipment	(1,18,671.92)	(2,36,387.55)
Right of use of asset	-	(15,425.74)
Purchase of Investment	-	(12,807.89)
Sale of Property, Plant & Equipment	1,244.02	992.01
Other bank Balances (Ear marked deposits)	56,364.14	10,509.47
Loan Given	(1.33)	(1,198.38)
Receipt of Loans Given	7.42	2,754.44
Interest received	3,094.56	1,460.08
Net Cash generated from / (used in) Investing Activities (B)	**(3,04,301.40)**	**(6,06,455.79)**
C. Cash Flow From Financing Activities		
Proceeds from issue of shares	-	10,966.50
Proceeds from non current Borrowings	17,77,406.58	10,74,809.81
Repayment of non current Borrowings	(19,16,259.73)	(5,16,752.12)
Proceeds from current Borrowings	25,25,750.00	34,12,000.00
Repayment of current Borrowings	(27,37,833.33)	(33,71,918.00)
Grant received	91,766.95	1,94,795.23
Finance Cost paid	(4,39,878.38)	(4,05,674.49)
Repayment of lease liabilities	(4,718.72)	(4,719.77)
Net Cash from Financing Activities (C)	**(7,03,766.63)**	**3,93,507.16**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(1,03,180.02)**	**1,25,530.26**
Cash and cash equivalents at the beginning of the year	1,68,626.19	43,095.93
Cash and cash equivalents at the end of the year	65,446.17	1,68,626.19

(₹. in Lakhs)

Cash and cash equivalents as on	FOR THE YEAR ENDED 31-MAR-21	FOR THE YEAR ENDED 31-MAR-20
Balances with Banks:		
- on current accounts	57,552.09	1,68,478.00
Cheques, drafts on hand	77.08	30.52
Cash on hand	53.80	91.82
Cash with collection Centres	7,763.20	25.85
Cash and cash equivalents at the end of the year [refer Note no. 11]	**65,446.17**	**1,68,626.19**

Changes in liabilities arising from Financing Activites

Particulars	For the year ended 31.03.2021			For the year ended 31.03.2020		
	Borrowings-Non Current	Borrowings-Current	Lease Liabilities	Borrowings-Non Current	Borrowings-Current	Lease Liabilities
Opening Balance as at 1st April	28,75,191.02	4,97,935.51	12,139.77	23,17,133.33	4,57,853.51	15,425.74
Cash Flows during the year	(1,38,853.15)	(2,12,083.33)	(4,719.77)	5,58,057.69	40,082.00	(4,719.77)
Non Cash changes due to:						
Current/ Non Current Clasification	-		1,079.63			1,433.80
Closing Balance as at 31st March	**27,36,337.87**	**2,85,852.18**	**8,499.63**	**28,75,191.02**	**4,97,935.51**	**12,139.77**

Note: 1. Figures in negative are outflow/ deductions.
2. Direct tax paid includes reversal of Provision of Income Tax for FY 2019-20 as MSEDCL has availed the option of taxation of domestic companies at lower rate U/s 115BAA of the Income Tax Act, 1961 from AY 2020-21, i.e., from FY 2019-20.

As per our Report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
(FRN : 101961W/W100036)

Sd/-
(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

Sd/-
Ravindra Sawant
Director (Finance)
DIN No.08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
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For GMJ & Co
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(FRN : 103429W)

Sd/-
(CA Atul Jain)
Partner (ICAI M.No.037097)

Sd/-
Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 24/11/2021

Place : Mumbai
Date : 24/11/2021

NOTE NO. 1

CORPORATE INFORMATION

Maharashtra State Electricity Distribution Company Limited (CIN: U40109MH2005SGC153645)

Maharashtra State Electricity Distribution Company Limited (MSEDCL / the Company), a Limited Company, incorporated under the Companies Act, 1956 came into existence on June 6, 2005 after unbundling the erstwhile Maharashtra State Electricity Board into four companies. The Company is a wholly owned subsidiary of MSEB Holding Company Limited (the Holding Company)

The main object of the Company is distribution of reliable and quality supply of electricity at reasonable and competitive tariff so as to boost agricultural, industrial and overall economic growth and development of Maharashtra. In order to achieve the main objective, the Company has undertaken the activities of sub-transmission, distribution, provision, supply, wheeling, purchase, sale, import, export and trading of electricity and introduced open access in the distribution as per the Maharashtra Electricity Regulatory Commission directives. The tariff of the Company is regulated by Maharashtra Electricity Regulatory Commission.

The Registered Office of the Company is situated at Prakashgad, Bandra (East), Mumbai 400051. MSEDCL, also known as Mahavitaran or Mahadiscom, is one of the largest public sector Company and is engaged in the business of electricity distribution. MSEDCL's distribution network is divided in 4 Regions, 16 Zones, 52 Circles, 186 Divisions, 716 Sub divisions and 34 IT Centres catering services to around 285 lakhs (P.Y. 278 Lakhs) consumers.

NOTE NO 2

SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of preparation and Presentation:**

   The Company's Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with section 469 of the Companies Act, 2013 (18 of 2013) and considering the principles determined / applied by the Maharashtra Electricity Regulatory Commission (MERC) while determining tariff, to the extent applicable for accounting.

   These Financial Statements include the balance sheet, the statement of profit and loss, the statement of changes in equity and the statement of cash flows and notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period.

The Company's presentation currency and functional currency is Indian Rupees (₹). All figures appearing in the Financial Statements are rounded to the nearest lakhs (₹ Lakhs), except where otherwise indicated.

2. **Classification of Assets and liabilities:**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,

- held primarily for the purpose of trading,

- expected to be realised within twelve months after the reporting period, or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,

- it is held primarily for the purpose of trading,

- it is due to be settled within twelve months after the reporting period, or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

The Company is governed by the Electricity Act, 2003. The provisions of the Electricity Act, 2003 read with the rules made there under prevails wherever the same are inconsistent with the provisions of Companies Act 2013 to the extent applicable, in terms of section 174 of the Electricity Act, 2003.

3. **Use of estimates and judgements:**

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

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

- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Impairment of non-financial assets;
- Revenue recognition
- Fair value measurements of Financial instruments;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies;
- Evaluation of recoverability of deferred tax assets;
- Operating lease commitments
- Regulatory Assets

Revisions to accounting estimates are recognized prospectively in the Financial Statements in the period in which the estimates are revised and in any future periods affected.

4. **Financial Instruments:**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition:

The Company recognises financial assets and financial liabilities when it becomes a party to a contractual provision of the instruments. All financial assets and liabilities are recognised as fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added / deducted as appropriate to fair value on initial recognition. Transaction cost related to acquisition of financial assets and financial liabilities that are fair valued through profit and loss are recognised in Statement of profit and loss.

a) **Financial Assets:**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

iii. Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

For Trade receivables and Other receivable maturing within one year from the Balance sheet date, the carrying amounts approximates the fair value to the short maturity of these instruments and are hence, stated at cost.

EIR is not calculated for interest bearing Financial Assets, which carry market rates bearing interest rates that are subject to reset / change on time to time basis.

iv. **Investment in Subsidiary, Joint Ventures and Associates:**

Investments in subsidiaries, joint ventures and associates are carried at cost in accordance with Ind AS 27 Separate Financial Statements. These are tested for impairment.

v. **Impairment of Financial Asset:**

The Company had recognised Expected Credit Loss (ECL) on Trade receivables and other financial assets.

Trade receivables are categorised into four categories for computing ECL viz.

1) Government authorities/bodies, 2) Permanent Disconnected consumers, 3) Agricultural consumers and 4) Regular. Based on past experience, practical expedient, segmentation of customers and their aging profile, credit loss is calculated on Trade Receivables including interest. Security deposit available with the Company is reduced on individual customer basis.

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

vi. **De-recognition:**

A financial asset is primarily derecognized 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 with a)the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

b) **Financial liabilities:**

i. **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. **Financial liabilities:**

Subsequent measurement

Financial liabilities are subsequently carried at amortised cost using the Effective Interest Rate (EIR) method, except for those which are measured at fair value through profit & loss. For Trade & other payables maturing within one year from the Balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments and are hence, carried at cost. The Company classifies all Borrowings as subsequently measured at "Amortised Cost"

EIR is not calculated for interest bearing Financial Liabilities, which carry market rate bearing interest rates that are subject to reset/change on time to time basis.

iii. <u>**De-recognition:**</u>

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

c) <u>**Offsetting of financial instruments:**</u>

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 realise the assets and settle the liabilities simultaneously.

5. <u>**Revenue Recognition:**</u>

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

a) <u>**Sale of Power:**</u>

i. Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

ii. Revenue from Sale of Power is accounted for on the basis of demand bills raised on consumers at Tariff rates approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Cost, if any.

iii. Unbilled revenue accrued up to the end of the financial year is accounted in the books of accounts on actual basis and includes FAC (Fuel Adjustment Cost), if any.

iv. Bills raised for theft of energy, under section 135 and for unauthorised use of power under section 126 of Electricity Act 2003, whether on consumer or outsiders are recognised in full as soon as assessment is received from the competent authority of the Company.

v. Revenue on account of Delayed Payment Surcharge (DPS) is recognised on accrual basis. Interest from consumers is recognised on principal arrears amount pertaining to last 2 years only. Interest on arrears more than 2 years is recognised on receipt basis instead of accrual basis.

b) <u>**Other Operating Income and Other Income:**</u>

i. Regulatory Income/Expenses:

The tariff of the Company is regulated by MERC. The Regulatory Assets/Liabilities are being accounted based on principles laid down under Tariff Regulations / Tariff orders as notified by MERC. The recognition of Regulatory Assets/Liabilities is as per Ind AS 114 “Regulatory Deferral Accounts”. Any adjustments that may arise on Annual

Performance Review / Mid-Term Review by MERC under Multi-Year Tariff Regulations are made after completion of such review.

ii. Sale of scrap is recognised on realisation except scrap sale at the time of transformer repairing, which is accounted on accrual basis.

iii. Interest income on Non-current investments is accounted on accrual basis, using Effective Interest Rate (EIR) method. Interest Income other than Non-current Investments is accounted on accrual basis.

iv. Dividend income is accounted for when the right to receive income is established.

v. Interest Subsidy under National Electricity Fund (NEF) scheme on interest paid on long term loan is recognised in the year of approval.

6. **Government Grant and Consumer Contribution:**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the profit and loss over the period they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are presented as Capital Grant in financial statements and are credited to profit and loss in a systematic manner over the expected life of the related assets and presented within other income.

Consumer Contributions relating to the purchase/ construction of property, plant and equipment are credited to profit and loss in a systematic manner.

7. **Property, Plant and Equipment (PPE):**

a) Freehold lands are carried at cost.

b) PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Specific know-how fees paid, if any, relating to plant & equipment is treated as a part of cost thereof. Cost includes purchase price and any attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

c) For transition to Ind AS, the carrying value of PPE under previous GAAP as on April 1, 2015 is regarded as its cost.

d) Inventories with useful life for more than one year are accounted as PPE as per Ind AS 16.

e) Derecognition:

An item of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

8. **Capital Work in Progress:**

a) Fifteen percent of the cost of Capital Work in Progress incurred during the year is added to Capital Work in Progress towards Employee Cost and Administration and General Expenses as the Operation and Maintenance Circles are executing both Capital Works and Operation and Maintenance Works.

b) Interest relating to construction period in respect of acquisition of the qualifying assets is capitalised on the addition to Work in Progress during the year based on the average interest rate applicable to the loan.

c) Claims for Price Variation in case of contracts are accounted for on acceptance by the Company.

9. **Depreciation / Amortisation:**

Property, Plant and Equipment:

a) The Company has estimated the useful life of an item of Property Plant and Equipment based on a techno-commercial evaluation. This estimation includes the pattern of usage of the Property Plant and Equipment item. Accordingly, the Company provides depreciation on straight line method to the extent of 90% of the cost of asset except for temporary erections which is provided at 100% in same year in which the assets are accounted for.

b) The present estimation is similar to the method used by MERC to determine tariff through MERC (Multi Year Tariff) Regulations 2015.

c) The rates of Depreciation applied are as under:

Assets Group	Rate (%)
Leasehold Land	3.34
Buildings	3.34
Hydraulic Works	5.28
Other Civil Works	3.34
Plant & Machinery	5.28
Lines & Cable Networks	5.28
Communication Equipment	6.33
Vehicles	9.50
Furniture & Fixtures	6.33
Office Equipment	6.33
IT Equipment	15.00
Meters	9.00
Other Assets	5.28

d) In case of Assets whose depreciation has not been charged upto 70% after its commissioning, Company charges depreciation at the rates prescribed above till the end of such year in which the accumulated depreciation reaches upto 70%. After attainment of 70% accumulated depreciation, the Company charges depreciation on the basis of remaining useful life upto 90% of the cost of asset in terms of the requirement of the MERC (Multi Year Tariff) Regulations 2015.

e) Depreciation on addition/deletions of assets during the year is provided on pro-rata basis.

f) The assets costing ₹. 5000/- or less individually are depreciated at 100% in the year they are put to use.

10. Intangible Assets:

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated and future economic benefits are probable.

Intangible assets are amortised over the contract or warranty period whichever is longer and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets and impairment loss is recognised in the statement of Profit & Loss.

The Company has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

11. Impairment of Non-Financial Assets:

Non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

12. Inventories:

Inventories having useful life upto one year are valued at lower of weighted average cost and net realisable value.

Loss towards obsolete stores and spares identified on review are provided in the accounts.

13. Employee Benefits:

a) Short term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b) Defined contribution plans:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

c) Defined benefits plans:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

d) Other long term employee benefits:

Benefits under the Company's leave encashment constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of India government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

14. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the notes to the accounts on the basis of judgement of the management. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

Contingent assets are disclosed where an inflow of economic benefits is probable. A brief description of the nature of the contingent assets, where an inflow of economic benefits is probable, and, where practicable, an estimate of their financial effect will be disclosed.

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payment in respect of such demands, if any is shown as advances.

Contingent Liabilities under various fiscal laws includes those in respect of which the Company/department is in appeal.

15. Accounting of Losses on account of flood, fire, cyclone etc.:

The loss on account of flood, fire, cyclone, loss to fixed asset etc is recognized by making provision on the basis of available information. Excess/short provision, if any is recognized on approval from Competent Authority.

16. Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

b) <u>Short-term leases and leases of low-value assets</u>

The Company has elected not to apply the requirement of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value and leases where rent is less than ₹ 10 lakh per month. The lease payment associated with these leases is recognised as an expense over the lease term.

c) <u>As a lessor</u>

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

17. <u>Taxation:</u>

Provision for Income Tax consists of current tax and deferred tax. Current Tax is calculated according to prevailing rates of Income Tax. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that taxable income will be available. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. MAT credit, if any, forms part of Deferred Tax Assets.

18. <u>Earnings per Share:</u>

Basic Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

19. **Fair value measurement:**

Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, 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.

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 at measurement date.

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)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

20. **Cash and Bank Balance:**

Cash and Bank Balance includes cash on hand, balances with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

21. **Cash flow statement:**

Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (Ind AS) 7 on 'Statement of Cash Flow'. For the purpose of the Statement of Cash Flows, cash and Bank Balance consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

22. **Material Prior Period Errors:**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

No restatement of prior period is made where the prior period errors are below the threshold of 0.5% of the turnover (As defined under Section 2(91) of the Companies Act, 2013).

For and on behalf of the Board

Sd/-
Ravindra Sawant
Director (Finance)
DIN No. 08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No. 05169675

Sd/-
Swati Vyavahare
Executive Director (F&A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

Sd/-
Neeta Vernekar
Chief General Manager (CA)(in charge)

Place : Mumbai
Date : 24.11.2021

Place : Mumbai
Date : 24.11.2021

NOTE: 3 PROPERTY PLANT AND EQUIPMENTS [refer Note no. 36(5)]

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2020	ADDITIONS	(DEDUCTIONS) / ADJUSTMENTS	BALANCE AS AT 31.03.2021	BALANCE AS AT APRIL 1, 2020	DEPRECIATION EXPENSE	(DEDUCTIONS)/ ADJUSTMENTS	BALANCE AS AT 31.03.2021	BALANCE AS AT 31.03.2021
(A) Owned Assets									
Land									
a) Free hold land	10,76,136.71	142.37	(8,698.41)	10,67,580.67	-	-		-	10,67,580.67
b) Lease hold land	2,597.35	31.32	8,624.06	11,252.73	283.68	188.90	(0.79)	471.79	10,780.94
Building	2,49,507.60	1,133.79	(3.15)	2,50,638.24	34,249.55	6,471.46	(2.27)	40,718.74	2,09,919.50
Hydralic works	495.21	-		495.21	130.72	96.73		227.45	267.76
Other Civil works	20,515.14	428.48		20,943.62	5,633.75	763.54		6,397.29	14,546.33
Plant and Equipments	18,25,219.20	2,52,096.68		20,77,315.88	4,21,050.19	1,07,847.31		5,28,897.50	15,48,418.38
Batteries & Charging	742.39	4.79		747.18	373.51	80.44		453.95	293.23
Lines and Cables	44,79,144.78	1,79,864.56	(1,59,446.56)	44,99,562.78	9,77,588.01	1,99,774.83	(19,929.78)	11,57,433.06	33,42,129.72
Meters		17,275.20	1,59,446.56	1,76,721.76		15,878.04	19,685.28	35,563.32	1,41,158.44
Communication Equipment	3,934.61	80.54		4,015.15	1,379.74	279.35		1,659.09	2,356.06
Vehicles	741.81	0.15	(4.62)	737.34	195.81	57.12	(4.16)	248.77	488.57
Furniture and Fixture	7,296.24	64.52		7,360.76	1,514.47	316.22		1,830.69	5,530.07
IT Equipment	5,231.53	20.23		5,251.76	4,546.69	323.43		4,870.12	381.64
Office Equipments	15,520.81	121.12		15,641.93	3,979.79	2,999.31		6,979.10	8,662.83
Other Assets	6,877.56	62.81		6,940.37	2,441.06	282.64		2,723.70	4,216.67
Sub-total	**76,93,960.94**	**4,51,326.56**	**(82.12)**	**81,45,205.38**	**14,53,366.97**	**3,35,359.32**	**(251.72)**	**17,88,474.57**	**63,56,730.81**
(B) Right of Use Assets	**15,425.74**			**15,425.74**	**3,856.43**	**3,856.43**		**7,712.87**	**7,712.87**
(C) Capital work-in-progress *									**3,86,827.82**

*CWIP as at 31st March 2021 includes amount capitalised towards Employee cost ₹. 34,689.84 Lakhs , Admin Cost ₹. 4,684.35 Lakhs and Interest Cost ₹. 1,097.45 Lakhs

NOTE - 3A INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2020	ADDITIONS	(DEDUCTIONS)/ ADJUSTMENTS	BALANCE AS AT 31.03.2021	BALANCE AS AT APRIL 1, 2020	DEPRECIATION EXPENSE	(DEDUCTIONS)/ ADJUSTMENTS	BALANCE AS AT 31.03.2021	BALANCE AS AT 31.03.2021
Computer Software	7,628.18	1,153.86		8,782.04	7,422.13	238.32		7,660.45	1,121.59
Sub-total	**7,628.18**	**1,153.86**	**-**	**8,782.04**	**7,422.13**	**238.32**	**-**	**7,660.45**	**1,121.59**
Total	**7,628.18**	**1,153.86**	**-**	**8,782.04**	**7,422.13**	**238.32**	**-**	**7,660.45**	**1,121.59**

NOTE: 3 PROPERTY PLANT AND EQUIPMENTS [refer Note no. 36(5)]

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	Balance as at April 1, 2019	Additions	Deductions/ Adjustments	Balance as at 31.03.2020	Balance as at April 1, 2019	Depreciation expense	Deductions/ Adjustments	Balance as at 31.03.2020	Balance as at 31.03.2020
(A) Owned Assets									
Land									
a) Free hold land	10,75,655.73	541.23	60.25	10,76,136.71	-	-	-	-	10,76,136.71
b) Lease hold land	2,587.50	10.63	0.78	2,597.35	222.60	61.08	-	283.68	2,313.67
Building	2,48,296.21	1,211.39	-	2,49,507.60	27,850.33	6,399.22	-	34,249.55	2,15,258.05
Hydralic works	468.51	26.70	-	495.21	105.44	25.28	-	130.72	364.49
Other Civil works	20,004.54	510.60	-	20,515.14	3,246.96	2,386.79	-	5,633.75	14,881.39
Plant and Equipments	16,40,845.33	1,85,145.92	29.66	18,25,961.59	3,33,513.32	87,910.39	-	4,21,423.71	14,04,537.88
Lines and Cables	42,19,806.97	2,59,301.60	(36.21)	44,79,144.78	7,74,215.13	2,03,372.88	-	9,77,588.01	35,01,556.77
Communication Equipment	3,926.06	8.55	-	3,934.61	1,096.38	283.36	-	1,379.74	2,554.87
Vehicles	830.69	19.19	108.07	741.81	238.25	53.08	95.52	195.81	546.00
Furniture and Fixture	7,213.55	82.07	(0.62)	7,296.24	1,201.27	313.20	-	1,514.47	5,781.77
IT Equipment	5,229.14	2.39	-	5,231.53	3,720.52	826.17	-	4,546.69	684.84
Office Equipments	15,409.02	111.79	-	15,520.81	3,134.02	845.77	-	3,979.79	11,541.02
Other Assets	6,870.02	7.54	-	6,877.56	2,102.65	338.41	-	2,441.06	4,436.50
Sub-total	**72,47,143.27**	**4,46,979.60**	**161.93**	**76,93,960.94**	**11,50,646.87**	**3,02,815.63**	**95.52**	**14,53,366.98**	**62,40,593.96**
(B) Right of Use Assets	**-**	**15425.74**		**15,425.74**	**-**	**3,856.43**		**3,856.43**	**11,569.31**
(C) Capital work-in-progress *									**4,73,388.67**

*CWIP as at 31st March 2020 includes amount capitalised towards Employee cost ₹. 37,492.79 Lakhs , Admin Cost ₹. 5,665.95 Lakhs and Interest Cost ₹. 239.07 Lakhs

NOTE - 3A INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2019	ADDITIONS	DEDUCTIONS / ADJUSTMENTS	BALANCE AS AT 31.03.2020	BALANCE AS AT APRIL 1, 2019	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 31.3.2020	BALANCE AS AT 31.3.2020
(A) Computer Software	7,628.18	-		7,628.18	7,186.87	235.26		7,422.13	206.05
Sub-total	**7,628.18**	**-**	**-**	**7,628.18**	**7,186.87**	**235.26**	**-**	**7,422.13**	**206.05**
(B) Intangible Assets under developments									1,153.86
Total	**7,628.18**	**-**	**-**	**7,628.18**	**7,186.87**	**235.26**	**-**	**7,422.13**	**1,359.91**

NOTE: 3 PROPERTY PLANT AND EQUIPMENTS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2018	Additions	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 01.04.2019	BALANCE AS AT APRIL 1, 2018	Depreciation expense	Deductions/ Adjustments	BALANCE AS AT 01.04.2019	BALANCE AS AT 01.04.2019
(A) Owned Assets									
Land									
a) Free hold land	10,75,249.60	538.82	132.69	10,75,655.73	-	-	-	-	10,75,655.73
b) Lease hold land	2,563.72	23.78	-	2,587.50	169.16	53.44	-	222.60	2,364.90
Building	2,46,285.15	2023.80	12.74	2,48,296.21	21,710.26	6,151.54	11.47	27,850.33	2,20,445.88
Hydralic works	326.25	142.26	-	468.51	69.43	36.01	-	105.44	363.07
Other Civil works	17,988.20	2016.34		20,004.54	2,421.61	825.35	-	3,246.96	16,757.58
Plant and Equipments	14,23,277.49	219143.71	1,575.87	16,40,845.33	2,26,769.74	1,07,079.95	336.37	3,33,513.32	13,07,332.01
Lines and Cables	39,14,673.91	305133.06	-	42,19,806.97	5,89,983.23	1,84,231.90	-	7,74,215.13	34,45,591.84
Communication Equipment	3,885.33	40.73	-	3,926.06	823.40	272.98	-	1,096.38	2,829.68
Vehicles	830.69	0.00	-	830.69	181.42	56.83	-	238.25	592.44
Furniture and Fixture	7,060.86	152.69	-	7,213.55	866.71	334.56	-	1,201.27	6,012.28
IT Equipment	5,033.48	195.66	-	5,229.14	2,764.59	955.93	-	3,720.52	1,508.62
Office Equipments	12,417.23	2991.79	-	15,409.02	2,328.89	805.13	-	3,134.02	12,275.00
Other Assets	5,617.60	1252.42	-	6,870.02	1,836.64	266.01	-	2,102.65	4,767.37
Sub-total	**67,15,209.51**	**5,33,655.06**	**1,721.30**	**72,47,143.27**	**8,49,925.08**	**3,01,069.63**	**347.84**	**11,50,646.87**	**60,96,496.40**
(B) Right of Use Assets									-
(C) Capital work-in-progress *									**3,27,629.16**

***CWIP as at 1st April 2019 includes amount capitalised towards Employee cost ₹. 41,998.11 Lakhs , Admin Cost ₹. 6,311.01 Lakhs and Interest Cost Rs.755.63 Lakhs**

NOTE: 3A INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2018	ADDITIONS	DEDUCTIONS / ADJUSTMENTS	BALANCE AS AT 01.04.2019	BALANCE AS AT APRIL 1, 2018	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 01.04.2019	BALANCE AS AT 01.04.2019
(A) Computer Software	6,740.53	887.65		7,628.18	6,075.21	1,277.95	166.29	7,186.87	441.31
Sub-total	**6,740.53**	**887.65**	**-**	**7,628.18**	**6,075.21**	**1,277.95**	**166.29**	**7,186.87**	**441.31**
(B) Intangible Assets under developments									1,153.86
Total	**6,740.53**	**887.65**	**-**	**7,628.18**	**6,075.21**	**1,277.95**	**166.29**	**7,186.87**	**1,595.17**

NOTE - 4
NON-CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 01-Apr-19
(I) Investment in Equity Instruments			
Unquoted - Fully paid up			
Subsidiaries measured at Cost			
Aurangabad Power Company Limited	5.00	5.00	5.00
[50000(PY 50000;1st April, 2019 50000)			
Equity Shares of Face Value of ₹ 10/- each]			
Less:- Impairment in value of Investment	5.00	5.00	5.00
ii) Investment In Bonds at Amortised Cost Quoted			
Bonds (Earmarked against Contingency Reserve)			
8.15% Govt-Food Corporation of India Bonds 2022	1,049.34	1,048.95	1,048.60
[1050000 (PY 1050000; 1st April, 2019 1050000)			
Bonds of Face Value of ₹ 100/- each]			
8.01% Govt-Oil Bonds -2023	1,941.16	1,938.38	1,935.77
[1950000 (PY 1950000; 1st April, 2019 1950000)			
Bonds of Face Value of ₹ 100/- each]			
8.03% Govt-Food Corporation of India Bonds -2024	994.58	993.37	992.26
[1000000 (PY 1000000; 1st April, 2019 1000000)			
Bonds of Face Value of ₹ 100/- each]			
8.23% Govt-Food Corporation of India Special Bonds -2027	997.57	997.26	996.98
[1000000 (PY 1000000; 1st April, 2019 1000000)			
Bonds of Face Value of ₹ 100/- each]			
8% Oil Bonds 2026	5,112.60	5,130.68	5,147.49
[5000000 (PY 5000000; 1st April, 2019 5000000)			
Bonds of Face Value of ₹ 100/- each]			
8.28% Govt of India Bonds 2032	2,685.47	2,684.68	2,683.95
[2700000 (PY 2700000; 1st April, 2019 2700000)			
Bonds of Face Value of ₹ 100/- each]			
8.30% Govt Of India Bonds 2040	2,874.61	2,874.09	2,873.62
[2900000 (PY 2900000; 1st April, 2019 2900000)			
Bonds of Face Value of ₹ 100/- each]			
9.45% Power Finance Corporation Bonds 2026	2,895.16	2,894.50	2,893.90
[290 (PY 290; 1st April, 2019 290)			
Bonds of Face Value of ₹ 1000000/- each]			
8.56% Rural Electrification Corporation Limited Bonds 2028	1,020.44	1,022.30	-
[100 (PY 100; 1st April, 2019 Nil)			
Bonds of Face Value of ₹ 1000000/- each]			
8.37% Rural Electrification Corporation Limited Bonds 2028	8,904.72	8,914.18	-
[880 (PY 880; 1st April, 2019 Nil)			
Bonds of Face Value of ₹ 1000000/- each]			
8.25% Power Finance Corporation Bonds 2034	198.61	198.55	-
[20 (PY 20; 1st April, 2019 Nil)			

NOTE - 4
NON-CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 01-Apr-19
Bonds of Face Value of ₹ 1000000/- each]			
8.29% Rural Electrification Corporation Limited Bonds 2034	99.61	99.61	-
[10 (PY 10; 1st April, 2019 Nil)			
Bonds of Face Value of ₹ 1000000/- each]			
8.80% Rural Electrification Corporation Limited Bonds 2029	2,565.91	2,573.25	-
[250 (PY 250; 1st April, 2019 Nil)			
Bonds of Face Value of ₹ 1000000/- each]			
Total:::::	**31,339.78**	**31,369.80**	**18,572.57**
Aggregate Cost of Unquoted Investments	**-**	**-**	**-**
Aggregate Cost of Quoted Investments	**31,339.78**	**31,369.80**	**18,572.57**
Aggregate Market Value of Quoted Investments	**33,989.22**	**33,419.55**	**19,086.51**
Aggregate Impairment Provision	**5.00**	**5.00**	**5.00**

NOTE - 5

LOANS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
Credit Impaired			
(a) Loans to related parties [refer Note no.36(21)(h)]	**599.86**	**598.53**	**597.42**
Less: Allowances for Doubtful Advances	599.86	598.53	597.42
	-	-	-
(b) Loans to others			
Loans & Advances to Licensees	31.34	31.34	31.34
Less: Allowances for Doubtful Advances	31.34	31.34	31.34
Total (a+b) :::::	**-**	**-**	**-**
Loans to related parties [refer Note no.36(21)(h)]			
(i) Dhopave Coastal Power Limited	206.75	206.75	206.75
(ii) Aurangabad Power Company Limited	146.38	145.05	143.94
(iii)Maharashtra Power Development Corporation Limited	246.73	246.73	246.73
Total :::::	**599.86**	**598.53**	**597.42**

NOTE - 6

OTHER FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
Security Deposits			
(a) Considered Good - Unsecured			
(i) Maharashtra Electricity Regulatory Commission [refer Note no.36(1)(I)(a)(v)]	51,092.00	48,551.00	45,709.00
(ii) Court /other Authorities	28,769.03	27,061.18	19,931.91
(iii) Others	110.94	110.86	159.68
(b) Significant increase in Credit Risk			
Others deposits	2,284.09	2,215.52	1,877.67
Less: Provision for Doubtful deposits	1,281.57	1,257.02	1,200.05
	1,002.52	958.50	677.62
Receivable from Government of Maharashtra [refer Note no.36 (21) (j)]	6,906.81	6,686.15	6,407.09
-	-	-	
Total :::::	**87,881.30**	**83,367.69**	**72,885.30**

NOTE - 7

NON CURRENT TAX ASSET (NET)

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
Advance Income Tax	44,123.86	40,188.93	13,000.18
Less : Provision for taxes	35,063.26	35,056.07	7,885.66
Total :::::	**9,060.60**	**5,132.86**	**5,114.52**

NOTE - 8

OTHER NON CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
(a) Deposit with Ratnagiri Gas Power Private Limited			
[refer Note no. 36(1)(I)(a)(iii)(A)(c)]	18,101.07	18,101.07	18,101.07
(b) Advances (Unsecured, Considered good)			
(i) Capital Advances	10,019.88	18,784.01	24,113.92
(ii) Others	3,242.50	1,698.45	757.06
Total :::::	**31,363.45**	**38,583.53**	**42,972.05**

NOTE - 9

INVENTORIES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
Inventories (lower of cost and net realisable value)			
Stores and spares	40,386.88	53,504.18	39,686.94
Less : Provision for non - moving & obsolete items	4,926.31	2,444.79	2,590.22
Total :::::	**35,460.57**	**51,059.39**	**37,096.72**

NOTE - 10

TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
(a) Secured & Considered good [refer Note No.36(6)(II)(i)(a)]	4,48,569.04	4,52,228.56	3,69,289.40
(b) Considered Good - Unsecured			
(i) Receivable from Government of Maharashtra towards subsidy /Grant etc [refer Note no. 36(8) for subsidy receivable]	4,39,319.77	3,09,422.72	78,604.37
(ii) Other	28,66,730.45	18,56,785.89	18,52,588.30
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	89,891.94	52,901.66	1,49,186.67
Sub total (ii)	**27,76,838.51**	**18,03,884.23**	**17,03,401.63**
Sub total (b) (i+ii)	**32,16,158.28**	**21,13,306.95**	**17,82,006.00**
(c) Significant increase in Credit Risk	13,34,585.95	14,86,580.40	10,91,243.13
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	1,01,841.55	1,06,126.79	2,36,443.05
Sub total (c)	**12,32,744.40**	**13,80,453.61**	**8,54,800.08**
(d) Credit Impaired	3,64,181.30	3,36,093.08	65,864.80
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	3,64,181.30	3,36,093.08	65,864.80
Sub total (d)	**-**	**-**	**-**
Total ::::: (a+b+c+d)	**48,97,471.72**	**39,45,989.12**	**30,06,095.48**

NOTE - 11
CASH AND BANK BALANCES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
(a) Cash & Cash Equivalents			
(i) Cash on hand	53.80	91.82	20.28
(ii) Cheques/ Drafts on hand	77.08	30.52	45.13
(iii) Balances with Banks in Current account	57,552.09	1,68,478.00	42,504.46
(iv) Cash with collection Centres	7,763.20	25.85	526.06
Sub total (a)	**65,446.17**	**1,68,626.19**	**43,095.93**
(b) Other Bank Balances			
- In earmarked Deposit accounts with original maturities less than 3 months*	12,570.13	67,942.10	78,410.63
- Other **	1,078.08	1,061.66	1,102.61
Less: Provision for doubtful recovery [refer Note no. 36(6)(II)(i)(a)]	1,008.60	-	-
Sub total (b)	**12,639.61**	**69,003.76**	**79,513.24**
Total ::::: (a)+(b)	**78,085.78**	**2,37,629.95**	**1,22,609.17**

* unutilised funds of Integrated Power Development Scheme (IPDS), DinDayal Upadyay Gramin Jyoti Yojana (DDUGJY), RPO fund & Solar AG Pump, deposited with banks. [refer Note no. 36(24)]

** includes ₹69.74 Lakh Security Deposit received in the form of Fixed Deposit.

NOTE - 12
LOANS - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
Loans to related parties			
Considered Good - Unsecured			
(a) Maharashtra State Electricity Transmission Co Limited	-	7.42	1,572.01
(b) Maharashtra State Power Generation Co Limited	47,015.54	47,015.54	47,008.12
Less: Loss Allowance [refer Note no. 36(6)(II) (i)(b)]	15,886.81	13,365.88	13,781.17
Total :::::	**31,128.73**	**33,657.08**	**34,798.96**

NOTE - 13

OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
(a) Unbilled Revenue	1,27,199.39	1,18,369.61	2,19,612.80
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	5,087.98	2,367.39	41,239.61
Sub Total (a)	**1,22,111.41**	**1,16,002.22**	**1,78,373.19**
(b) Interest on Trade Receivables	-	-	-
(i) Considered Good - Unsecured	58,700.15	58,714.60	48,627.10
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	2,378.13	1,266.51	4,157.17
Sub Total (i)	**56,322.02**	**57,448.09**	**44,469.93**
(ii) Significant increase in Credit Risk	12,74,479.13	9,00,027.97	13,77,648.20
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	2,76,432.07	21,247.89	1,25,681.33
Sub Total (ii)	**9,98,047.06**	**8,78,780.08**	**12,51,966.87**
(iii) Credit Impaired	2,28,751.12	1,79,068.77	78,941.33
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	2,28,751.12	1,79,068.77	78,941.33
Sub Total (iii)	**-**	**-**	**-**
sub total (b) (i+ii+iii)	**10,54,369.08**	**9,36,228.17**	**12,96,436.80**
Less: Deferred Interest	**4,82,717.90**	**2,81,493.44**	**5,87,749.95**
Total (b)	**5,71,651.18**	**6,54,734.73**	**7,08,686.85**
(c) Interest accrued	3,458.26	3,870.96	3,132.34
(d) Subsidy & Grant Receivable	17,741.42	14,509.00	97,560.63
(e) Advances to/ Amount recoverable from Employees and Collection Agencies			
(i) Considered Good	1,874.20	1,656.68	1,479.56
(ii) Credit Impaired	1,123.53	1,036.99	1,055.79
Less Provision for Doubtful Advance	1,123.53	1,036.99	1,055.79
Sub Total (e) (ii)	**-**	**-**	**-**
Sub Total (e) (i+ii)	**1,874.20**	**1,656.68**	**1,479.56**
(f) Other Receivables	7,257.36	2,548.30	1,662.96
(g) Receivable from IEX PXIL	20,509.72	-	-
Less: Loss Allowance [refer Note no. 36(6)(II) (i)(b)]	4,187.30	-	-
Sub Total (g)	**16,322.42**	**-**	**-**
(h) Amounts receivables from other State Electricity Boards - Credit Impaired	9,429.45	9,277.29	9,277.29
Less: Provision for Doubtful Advances	9,277.29	9,277.29	9,218.37
Sub Total (h)	**152.16**	**-**	**58.92**
Receivable from CPF Trust	-	-	-
Total :::::(a+b+c+d+e+f+g+h)	**7,40,568.41**	**7,93,321.89**	**9,90,954.45**

NOTE - 14

OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
Prepaid expenses	15,700.46	7,658.33	6,755.54
MVAT receivable	12,472.05	12,472.05	12,760.78
GST Receivable	-	1.50	0.33
Sub Total (a) :::::	**28,172.51**	**20,131.88**	**19,516.65**

NOTE - 15
SHARE CAPITAL

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31.03.21	AS AT 31.03.20	AS AT 01.04.19
A]	**AUTHORISED CAPITAL** 60,00,00,00,000 Equity Shares of ₹10/- each Fully Paid Up) (Equity Shares :- PY 60,00,00,00,000; 1st April, 2019 60,00,00,00,000)	**60,00,000.00**	**60,00,000.00**	**60,00,000.00**
B]	**ISSUED, SUBSCRIBED AND PAID UP** 47,723,984,904 Equity Shares of ₹10/- each fully paid	**47,72,398.49**	**47,72,398.49**	**47,61,431.99**
	(Equity Shares Fully Paid :- PY 47,723,984,904; 1st April, 2019 47,614,319,904)	47,72,398.49	47,72,398.49	47,61,431.99

C] RECONCILIATION OF THE NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR :

PARTICULARS	AS AT 31.03.21		AS AT 31.03.20		AS AT 01.04.19	
	NO. OF SHARES	₹ IN LAKHS	NO. OF SHARES	₹ IN LAKHS	NO. OF SHARES	₹ IN LAKHS
Opening Balance	47,72,39,84,904	47,72,398.49	47,61,43,19,904	47,61,431.99	47,24,52,54,904	47,24,525.49
Fresh Issue	-	-	10,96,65,000	10,966.50	36,90,65,000	36,906.50
Closing Balance	47,72,39,84,904	47,72,398.49	47,72,39,84,904	47,72,398.49	47,61,43,19,904	47,61,432

D] THE RIGHTS, PREFERANCES, RESTRICTIONS ON THE DISTRIBUTION OF DIVIDENDS AND REPAYMENT OF CAPITAL

(i) MSEDCL is having only one class of share i.e. Equity Shares, carrying the nominal value of ₹10/- per share.
(ii) Every Holder of the equity share of the company is entitled to one vote per share held.
(iii) Every share holder has a right to receive dividend in proportion to shares held by them whenever such dividend is approved.
(iv) In the event of liquidation of the company the equity share holder will be entitled to receive remaining assets of the company, after distribution of dues to all preferential rightholders. The distribution will be in proportion to the number of equity shares held by the share holders.

E] DETAILS OF NUMBER OF EQUITY SHARES HELD BY THE HOLDING COMPANY, THE ULTIMATE HOLDING COMPANY, THEIR SUBSIDIARIES AND ASSOCIATES :

PARTICULARS	AS AT 31.03.21	AS AT 31.03.20	AS AT 01.04.19
MSEB Holding Co. Ltd. (Nos.)	47,72,39,84,904	47,72,39,84,904	47,61,43,19,844
MSEB Holding Co. Ltd. (Amount in ₹ In Lakhs)	**47,72,398.49**	**47,72,398.49**	**47,61,431.98**

F] DETAILS OF EQUITY SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 % SHARES :

PARTICULARS	AS AT 31.03.21		AS AT 31.03.20		AS AT 01.04.19	
	No. of shares held	% of holding in that class of shares	No. of shares held	% of holding in that class of shares	No. of shares held	% of holding in that class of shares
MSEB Holding Co. Ltd. & its nominees*	47,72,39,84,904	100	47,72,39,84,904	100	47,61,43,19,904	100

* The beneficial owner of 60 shares held by the nominees, is MSEB Holding Co. Ltd

The Company has issued 39,80,35,03,143 equity shares of ₹10/- each as fully paid shares for consideration other than cash during F.Y 2015-16 under Financial Restructuring Plan(FRP)of the erstwhile Maharashtra State Electricity Board(MSEB)

NOTE - 16

OTHER EQUITY

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 1-Apr-19
Statutory Reserve (Contingency Reserve)			
Opening Balance	57,700.00	57,700.00	57,700.00
Add: Transfer from retained earnings			
Closing Balance	**57,700.00**	**57,700.00**	**57,700.00**
Retained Earning			
Opening Balance	(23,31,654.86)	(24,00,109.22)	(26,88,736.36)
Add/ (less) : Profit/ (Loss) for the year	(1,32,159.80)	68,454.36	2,88,627.13
Closing Balance	**(24,63,814.66)**	**(23,31,654.86)**	**(24,00,109.22)**
Other Comprehensive Income (OCI)			
Opening Balance	(68,882.33)	(58,875.54)	(33,786.60)
Add/ (less) : Other Comprehensive Income or Expense arising from remesurement of difined benefit obligation	543.35	(10,006.79)	(25,088.94)
Closing Balance	**(68,338.98)**	**(68,882.33)**	**(58,875.54)**
Total	**(24,74,453.65)**	**(23,42,837.20)**	**(24,01,284.77)**

NOTE - 17
BORROWINGS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	AS AT 31-Mar-20	AS AT 01-Apr-19
A) Secured - at amortized cost			
Term loans			
(I) from banks			
(i) State Bank of India	7,50,390.67	8,70,699.32	4,54,973.42
(ii) Punjab National Bank	57,220.40	-	-
(iii) Union Bank of India	99,576.38	-	-
(iv) Bank of Maharashtra	89,734.01	-	-
(v) Uco Bank	49,838.94	-	-
(vi) Bank of India	39,676.20	-	-
(II)From Financial Institutions			
(i) Rural Electrification Corporation	22,08,129.86	21,57,419.56	19,26,300.05
(ii) Power Finance Corporation [refer Note no. 36(25)]	2,05,154.13	2,49,626.00	4,35,739.53
Sub Total (A)::::	**34,99,720.59**	**32,77,744.88**	**28,17,013.00**
B) Unsecured - at amortized cost			
(I) from banks			
District Central Cooperative Banks Limited	7,222.22	32,277.78	44,388.89
(II) From other parties			
State Government Loans - Government of Maharashtra	1,250.19	1,443.35	1,999.39
Sub Total (B)::::	**8,472.41**	**33,721.13**	**46,388.28**
C) Current Maturities (Refer Note No. 23)	**-**	**-**	**-**
Rural Electrification Corporation (REC)	4,28,513.14	2,46,260.98	2,41,093.76
Power Finance Corporation (PFC)	53,758.59	53,309.26	2,27,479.00
District Central Cooperative Banks Limited	2,222.22	15,055.56	-
State Bank of India	2,44,368.00	1,21,456.00	77,139.14
Union Bank of India	15,500.00	-	-
Bank of Maharashtra	15,300.00	-	-
Uco Bank	7,000.00	-	-
Bank of India	5,000.00	-	-
State Govt.Loans - Government of Maharashtra	193.16	193.16	556.04
Sub Total (C)::::	**7,71,855.11**	**4,36,274.96**	**5,46,267.94**
Gross Total (A+B-C)::::	**27,36,337.89**	**28,75,191.05**	**23,17,133.34**

NOTE -17
BORROWINGS - NON CURRENT

D] 'DETAILS OF TERMS OF REPAYMENT FOR THE TERM BORROWINGS AND SECURITY PROVIDED IN RESPECT OF THE SECURED AND OTHER LONG TERM BORRROWINGS :

Particulars	Outstanding amount (₹ in Lakhs) as on 31.03.21	Rate of Interest (%)	Repayment Period from the start date	Moratorium period included in the period of maturity at (4)	Security offered
1	2	3	4	5	6
A) Secured - at amortized cost **Term Loans** **(I) From Banks**					
(i) State Bank of India	3,05,006.60	1 Year MCLR + 90 bps	2 Years	3 Months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 10 Circles)
State Bank of India	4,45,384.08	1 Year MCLR + 55 bps	5 Years	6 months	
(ii) Punjab National Bank	57,220.40	1 Year MCLR + 55 bps	3 Years	6 months	Guarantee from State Govt of Maharashtra and exclusive charge of mortgage of property offer in various division
(iii) Union Bank of India	99,576.38	1 Year MCLR + 55 bps	5 Years	6 months	Guarantee from State Govt of Maharashtra and hypotication of trade receivable (only HT Consumers) of Designated 06 Circles
(iv) Bank of Maharashtra	89,734.01	1 Year MCLR + 55 bps	5 Years	6 months	
(v) Uco Bank	49,838.94	1 Year MCLR + 55 bps	5 Years	6 months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 06 Circles)
(vi) Bank of India	39,676.20	1 Year MCLR + 55 bps	5 Years	6 months	Guarantee from State Govt of Maharashtra and hypotication of trade receivable (only HT Consumers) of Designated 06 Circles
	10,86,436.61				
(II) From Financial Institutions					
(i) Rural Electrification Corporation	22,08,129.86	Loans taken from REC and PFC carry an interest rate ranging from 8.64% to 11.25% p.a. alongwith rebate thereon ranging from 25 bps to 155 bps as applicable for the respective loans approved for various schemes.	3 to 15 Years	6 Months to 5 Years	In case of Long Term Loan, Hypothecation of asset created out of these loans/existing assets and escrow coverage. In case of Medium Term Loan, Corporate Guarantee of MSEB Holding Co. and escrow coverage.
(ii) Power Finance Corporation	2,05,154.13		10 to 20 Years	2 to 5 Years	
	24,13,283.99				
Sub-total (A)	**34,99,720.59**				
B) Unsecured - at amortized cost **(I) from banks**					
District Central Cooperative Banks Limited	7,222.22	8.00-9.00	1.5 years	6 Months	Post Dated Cheques and Promissory Note
(II) From other parties					
State Government loans - GoM	1,250.19	10.50	10 to 20 Years	NIL	
Sub-total (B)	**8,472.41**				
TOTAL (A+B)	**35,08,193.01**				

NOTE : Outstanding amount includes the current maturities of long term loans

NOTE -17
BORROWINGS - NON CURRENT

	Outstanding amount (₹ in Lakhs) as on 31.03.20	Rate of Interest (%)	Repayment Period from the start date	Moratorium period included in the period of maturity at (4)	Security offered
1	2	3	4	5	6
A) Secured - at amortized cost **Term Loans** **(I) From Banks**					
State Bank of India	3,97,528.42	1 Year MCLR + 90 bps	2 Years	3 Months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 10 Circles)
State Bank of India *	4,73,170.90	1 Year MCLR + 55 bps	5 Years	6 months	
	8,70,699.32				
(II) From Financial Institutions *					
(i) Rural Electrification Corporation	21,57,419.56	Loans taken from REC and PFC carry an interest rate ranging from 8.64% to 11.25% p.a. alongwith rebate thereon ranging from 25 bps to 155 bps as applicable for the respective loans approved for various schemes.	3 to 15 Years	6 Months to 5 Years	In case of Long Term Loan, Hypothecation of asset created out of these loans/existing assets and escrow coverage. In case of Medium Term Loan, Corporate Guarantee of MSEB Holding Co. and escrow coverage.
(ii) Power Finance Corporation	2,49,626.00		10 to 20 Years	2 to 5 Years	
* (includes loan against Regulatory Asset)					
	24,07,045.56				
Sub-total (A)	**32,77,744.88**				
B) Unsecured - at amortized cost **(I) from banks** District Central Cooperative Banks Limited	32,277.78	8.00-9.00	1.5 years	6 Months	Post Dated Cheques and Promissory Note
(II) From other parties					
(a) State Government loans - GoM	1,443.35	10.50	10 to 20 Years	NIL	
Sub-total (B)	**33,721.13**				
TOTAL (A+B)	**33,11,466.01**				
NOTE : Outstanding amount includes the current maturities of long term loans					

NOTE -17
BORROWINGS - NON CURRENT

	Outstanding amount (₹. in Lakhs) as on 01.04.2019	Rate of Interest (%)	Repayment Period from the start date	Moratorium period included in the period of maturity at (4)	Security offered
1	2	3	4	5	6
A) Secured - at amortized cost					
Term Loans					
(I) From Banks					
State Bank of India	54,973.42	1 Year MCLR + 90 bps	2 Years	3 Months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 10 Circles)
State Bank of India *	4,00,000.00	1 Year MCLR + 55 bps	5 Years	6 months	
	4,54,973.42				
(II) From Financial Institutions *					
(i) Rural Electrification Corporation	19,26,300.05	Loans taken from REC and PFC carry an interest rate ranging from 10.50% to 11.50% p.a. alongwith rebate thereon ranging from 75 bps to 255 bps as applicable for the respective loans approved for various schemes.	3 to 15 Years	6 Months to 5 Years	Hypothecation of asset created out of these loans and escrow coverage.
(ii) Power Finance Corporation	4,35,739.53		3 to 20 Years	1 to 5 Years	
Sub-total	**23,62,039.58**				
Sub-total (A)	**28,17,013.00**				
B) Unsecured - at amortized cost					
(I) from banks					
District Central Cooperative Banks Limited	44,388.89	8.00-9.00	1.5 years	6 Months	Post Dated Cheques and Promissory Note
(II) From other parties					
(a) State Government loans - GoM	1,999.39	10.50 to 11.50	10 to 20 Years	NIL	
Sub-total (B)	**46,388.28**				
TOTAL (A+B)	**28,63,401.28**				

NOTE : Outstanding amount includes the current maturities of long term loans

NOTE - 18

OTHER FINANCIAL LIABILITIES - NON CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar-20	As at 01-Apr-19
Deposits			
Security deposits from consumers [refer Note no. 36(6)(II)(i)(a)(c)]	8,53,102.56	8,10,679.84	7,54,347.92
Deposits for Electrification, service connections, etc.	1,662.75	274.76	182.65
Deposit From Supplier & Contractors	1,683.65	1,624.00	11,656.77
From collection agencies	2,042.01	3,107.48	4,429.67
Other Payable			
Retention money Payable for capital Supplies & services	38,121.32	41,470.61	1,28,836.13
Amount payable to REC on behalf of GoM under RGGVY	1,771.38	2,247.30	2,797.01
Lease Liabilities	4,467.14	8,499.63	-
Other	27,817.65	25,477.87	21,847.52
Total ::::	**9,30,668.46**	**8,93,381.49**	**9,24,097.67**

NOTE - 19

PROVISIONS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar 20	As at 01-Apr-19
Provision for Employee Benefits:			
Provision for Gratuity [refer Note no. 36(10)(A)(ii)]	2,05,406.70	2,00,635.62	1,87,966.79
Provision for Leave Encashment [refer Note no. 36(10)(A)(iii)]	2,33,946.29	2,13,569.96	1,79,701.45
Provision for Pension	335.59	353.69	-
Total ::::	**4,39,688.58**	**4,14,559.27**	**3,67,668.24**

NOTE - 20

OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar-20	As at 01-Apr-19
Consumer Contribution including Contributions from GoM for RGGVY [refer Note no. 36(20)]	2,35,080.01	2,35,576.49	2,61,171.83
Grants [refer Note no. 36(20)]	7,24,335.17	7,00,588.32	5,58,534.52
Uday Loan [refer Note no. 36(23)]	-	-	99,200.00
Total ::::	**9,59,415.18**	**9,36,164.81**	**9,18,906.35**

NOTE - 21

BORROWINGS - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar-20	As at 01-Apr-19
(a) Secured - at amortized cost			
(Secured against first pari passu charge on Trade Receivables of Non Escrowed Circles)			
Loans repayable on demand from banks (Working Capital Demand Loan) [refer Note no. 36(6)(II)(ii)(b)]			
(i) Canara Bank	82,000.00	1,44,000.00	1,41,500.00
(ii) United Bank of India	49,000.00	49,000.00	49,000.00
(iii) Syndicate Bank	-	23,250.00	38,250.00
(iv) Bank of Maharashtra	62,500.00	62,000.00	61,750.00
(v) State Bank of India	30,000.00	30,000.00	-
(vi) Bank of India	-	34,000.00	-
(b) Unsecured - at amortized cost			
(i) Maharashtra State Co-op. Bank	50,000.00	1,43,333.33	83,333.33
(ii) Ratnagiri District Co Op Bank	-	-	30,000.00
(iii) Thane District Co Op Bank	-	-	16,668.00
(II) Loan from Others			
(i) Interest free Loan from Maharashtra Industrial Development Corporation (MIDC) [refer Note no. 36(1)(I)(a)(iv)]	12,352.18	12,352.18	12,352.18
(ii) Energy Development Agency Ltd	-	-	25,000.00
Total ::::	**2,85,852.18**	**4,97,935.51**	**4,57,853.51**

NOTE - 22
TRADE PAYABLES - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar-20	As at 01-Apr-19
Trade Payables:			
Liability for purchase of Power	21,73,545.07	15,37,146.23	13,40,032.67
Liability for transmission charges	2,64,908.61	2,40,138.51	2,43,053.72
Bills payable	4,96,973.57	-	-
Other Payable	2,76,519.09	2,60,841.87	1,92,952.01
Total ::::	**32,11,946.34**	**20,38,126.61**	**17,76,038.40**

NOTE - 23
OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar-20	As at 01-Apr-19
Current Maturities of Long-Term Debt (Refer Note No. 17)			
(i) Secured - at amortised Cost			
From Financial Institutions	4,82,271.73	2,99,570.24	4,68,572.76
From Banks	2,89,390.22	1,36,511.56	77,139.14
(ii) Unsecured - at amortised Cost			
From Government of Maharashtra	193.16	193.16	556.04
Deposits			
From Consumers	7,523.18	9,053.73	8,237.72
From Others	1,686.79	2,309.70	2,411.14
From Supplier & Contractors	18,627.86	16,924.62	7,478.23
From collection agencies	6,459.88	4,982.59	3,239.39
Other Payable			
Retention money Payable for capital Supplies & services	1,73,090.13	1,61,501.68	71,035.45
Interest Accrued but not due			
(i) On loans	25,641.59	27,120.23	39,844.58
(ii) On Deposit	34,206.48	70,614.50	60,267.05
(iii) Others	7,887.26	5,509.47	2,834.07
Payable to Government of Maharashtra towards			
Electricity Duty and Tax on sale of Electricity	7,67,180.01	7,57,031.32	1,13,179.23
MSEB Holding Co Limited	4,11,247.55	4,09,811.37	4,07,964.69
Interest on Trade Payable for purchase of Power	5,62,825.05	3,90,766.93	3,59,204.89
Interest on Trade Payable for Transmission Charges	91,738.36	97,051.36	87,933.93
Lease Liability	4,032.49	3,640.14	-
Others	1,32,581.77	1,30,240.76	1,51,368.83
Total ::::	**30,16,583.51**	**25,22,833.36**	**18,61,267.14**

NOTE - 24
PROVISIONS - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar-20	As at 01-Apr-19
Provision for employee benefits			
(a) Provision for Gratuity [refer Note no. 36(10)(A)(ii)]	19,883.19	27,008.61	36,789.09
(b) Provision for Leave encashment [refer Note no. 36(10)(A)(iii)]	16,910.95	22,406.38	26,545.00
(c) Provision for Pay Fixation arrears	29,939.46	57,947.00	53,751.00
(d) Provison for Pension	50.80	60.15	-
Provision for Renewable Power Obligation [refer Note no. 36(3)]	4,40,950.00	5,11,250.00	3,10,890.00
Total ::::	**5,07,734.40**	**6,18,672.14**	**4,27,975.09**

NOTE - 25
OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar-20	As at 01-Apr-19
Liability for Grant towards Energisation of Agriclture Pump under Employement Guarantee Scheme	141.18	141.51	160.33
Duties & Taxes	11,458.09	12,754.31	8,859.59
Contributions from Consumers [refer note no. 36 (20)]	32,221.93	35,658.55	33,567.31
Grants [refer note no. 36 (20)]	62,602.00	59,083.08	49,023.18
Contingency Reserve [refer Note no 36(26)]	68,032.00	52,276.00	38,000.00
Current Maturity of Uday Loan [refer Note no.36 [23]]	-	99,200.00	99,200.00
Other Current Liabilities	70,166.99	87,358.99	27,376.73
Total ::::	**2,44,622.19**	**3,46,472.44**	**2,56,187.14**

NOTE - 26
CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-21	As at 31-Mar-20	As at 01-Apr-19
Provision for taxes	-	11,614.07	25,154.65
Less : Advance Income Tax	-	408.37	218.53
Total ::::	**-**	**11,205.70**	**24,936.12**

NOTE - 27

REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
(a) Revenue from Sale of Power :	73,68,774.74	73,48,020.97
Less : Prompt Payment and Incremental Discount	64,613.40	33,724.93
Sub Total (a) :::::	**73,04,161.34**	**73,14,296.04**
(b) Other Operating Revenue		
Standby charges	40,190.10	39,926.09
Miscellaneous charges from consumers	26,831.98	21,922.27
Sub Total (b) :::::	**67,022.08**	**61,848.36**
Total ::::: (a+b)	**73,71,183.42**	**73,76,144.40**

NOTE - 28

OTHER INCOME

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Interest Income		
(a) Interest from non current financial Investment valued		
at Amortised Cost	2,681.86	2,198.70
(b) Interest from Consumers	2,64,955.00	2,42,857.81
(c) Other	1,008.23	3,387.04
Contribution, Grants and Subsidies towards cost of		
Capital Assets [refer Note no. 36(20)]	98,638.85	99,387.15
Grant under Ujwal Discom Assurance Yojna UDAY Scheme		
[refer Note No 36(23)]	99,200.00	99,200.00
Revenue from subsidy & grant	0.00	3500.00
Delayed Payment Charges	33,688.37	31,207.75
Provision for Bad & doubtful debts written back	46,504.63	3,28,225.73
Miscellaneous Income	29,634.20	34,217.38
Total :::::	**5,76,311.14**	**8,44,181.56**

NOTE - 29
PURCHASE OF POWER

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Power Purchase Cost		
(a) Conventional Power	45,55,518.21	51,32,750.87
(b) Non Conventional Sources	7,97,882.15	7,40,455.36
Sub Total (a+b) :::::	**53,53,400.36**	**58,73,206.23**
(c)Less : Rebate	27,954.75	644.61
Sub Total (a+b-c) :::::	**53,25,445.61**	**58,72,561.62**
(d) Transmission Charges	9,39,694.09	8,77,358.50
Total (a+b-c+d) :::::	**62,65,139.70**	**67,49,920.12**

NOTE - 30
EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Salaries, Wages and Allowances	4,31,615.31	4,09,170.96
Contribution to Provident and Other Funds	1,13,850.63	1,26,077.14
Staff Welfare Expenses	26,463.29	20,801.71
Less : Employee Cost Capitalised	34,689.84	37,492.79
Total :::::	**5,37,239.39**	**5,18,557.02**

NOTE - 31
REPAIRS & MAINTENANCE EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Plant & Equipment	1,09,074.04	65,711.45
Buidling	3,120.12	2,114.62
Others	571.47	7,065.72
Total :::::	**1,12,765.63**	**74,891.79**

NOTE - 32
ADMINISTRATION AND GENERAL EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Administrative Expenses	5,170.39	5,301.60
Legal & Professional Fees	1,422.51	3,874.05
Statutory Auditors fees [refer Note no. 36(19)]	114.09	124.18
Expenses towards Consumer Grievance Redressal Fourm	80.05	99.53
Conveyance and Travel	5,666.52	5,508.72
Commission/Collection charges	6,069.23	6,863.39
Fees & Subscription	1,519.54	1,514.84
Printing & stationery	1,521.58	1,475.86
Advertisment Expenses	615.12	755.65
SecurityMeasures fr Safety&Protection	16,178.47	13,684.95
Expenditure on Computer Billing	25,696.46	27,405.39
Vehicle running Expenses	137.03	135.21
Advt.of Tenders/Notices etc.	38.17	100.51
Others	6,633.25	4,792.70
Less: Administrative Charges Capitalised	4,684.35	5,665.95
Total :::::	**66,178.06**	**65,970.63**

NOTE - 33
FINANCE EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
(A) Interest Expenses		
(a) On Loan from		
Banks	1,11,404.20	32,603.14
Financial Institutions	2,47,977.27	2,81,248.50
Other	6,585.41	13,808.30
Less : Interest Cost Capitalised*	1,097.45	239.07
	3,64,869.43	**3,27,420.87**
(b) On Security Deposits from Consumers	28,225.40	74,891.72
(c) Payable to Suppliers and Contractors	1,43,986.83	41,345.57
(d) Interest on Lease Liability	1,079.63	1,433.80
(e) Other	16.52	2,555.54
(f) Interest on Bills Discounting	30,404.10	-
(B) Other Borrowing Costs		
Financial Charges	657.95	892.76
Bank Charges	2,970.93	2,101.54
Total :::::(A+B)	**5,72,210.79**	**4,50,641.80**

*Note: Interest Cost is capitalised at 10.35 % p.a. (P.Y.9.92 %)

NOTE - 34
DEPRECIATION AND AMORTISATION

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Depreciation on tangible fixed assets	3,35,359.32	3,02,815.63
Depreciation on Right of Use Assets	3,856.43	3,856.43
Amortisation on intangible fixed assets	238.32	235.26
Total :::::	**3,39,454.07**	**3,06,907.32**

NOTE - 35
OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Miscellaneous Losses	2,805.35	736.73
Sundry Expenses	873.05	4,210.35
Contribution to Contigency Reserve as per MERC Regulation [refer Note no. 36(26)]	15,756.00	14,276.00
Bad debts [refer Note no. 36(6)(II) (i) (a)]	46,504.63	3,28,225.73
Expected Credit Loss [refer Note no. 36(6)(II) (i)]	4,22,720.99	3,25,428.69
Total :::::	**4,88,660.02**	**6,72,877.50**

NOTE NO. 36
ADDITIONAL NOTES TO ACCOUNTS

1. Contingent Liabilities, Contingent Assets and Commitments :

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
I.	Contingent Liabilities			
(a)	Claims against the MSEDCL not acknowledged as debts-			
	(i) Datar Switchgear Ltd. (refer para i below)	80,161	74,657	70,344
	(ii) Asian Electronics Ltd. (refer para ii below)	15,712	15,712	15,712
	(iii) Power Purchase (refer para iii below)	39,94,382	23,73,024	9,27,054
	(iv) MIDC Interest free Loan (refer para iv below)	6,940	6,940	6,940
	(v) Mula-Pravara Electric Co-op. Society Ltd. (refer para v below)	51,092	48,551	45,709
	(vi) Others (refer para vi below)	97,107	64,426	51,678
	Total of (a)	**42,45,394**	**25,83,310**	**11,17,437**
(b)	Disputed Duties / Tax Demands			
	(i) Income Tax	4,48,374	3,21,481	3,21,481
	(ii) TDS	1,193	1,080	3,615
	(iii) Excise Duty	140	140	133
	(iv) MVAT	5,02,707	4,19,217	1,88,266
	(v) Service Tax	44,951	44,951	44,949
	Total of (b)	**9,97,365**	**7,86,869**	**5,58,444**
	Total of (a+b)	**52,42,759**	**33,70,179**	**16,75,881**
II.	Contingent Assets (Refer para II below)	1,64,175	43,634	35,250
III.	Other Commitments	-	-	-
IV.	Capital Commitments			
	Liability against capital commitments (net of advances given)	1,10,384	2,32,651	5,47,443

I. Contingent Liabilities include :-

(i) Datar Switchgear Limited :

In an earlier year, erstwhile Maharashtra State Electricity Board (MSEB) had entered into a contract with Datar Switchgears Ltd. (DSL) for supply, erection, commissioning and maintenance of load management system panels on operating lease basis. After part execution of the contract, DSL has filed the suit for damages of panels & cost of possession before Hon. Bombay High Court (BHC), Mumbai. The matter is pending before Hon. BHC. The claim amount is ₹80,161Lakhs - including accumulated interest of ₹73,743 Lakhs (PY ₹ 74,657 Lakhs- including accumulated interest of ₹ 67,239 Lakhs).

(ii) <u>Asian Electronics Limited :</u>

The lease rent payment to Asian Electronics Limited towards Low Tension Load Management System (LTLMS) panels installed by them has been stopped since June 2006, as LTLMS panels were not working. The dispute has been referred to Arbitrator by Asian Electronics Limited and a claim of ₹ 15,712Lakhs (PY ₹ 15,712) has been lodged against the company.

Further, Asian Electronics Limited is under process of liquidation, hence the claim of Asian Electronics Limited may not be materialised and liability may not arise.

(iii) <u>Power purchase Liabilities :</u>

(A) Dispute in Energy Bill:

a) The monthly bill of Sardar Sarovar Projects (SSP) is admitted by MSEDCL @ 2.05 ₹/KWH as decided in the meeting of Government of Maharashtra, whereas the bill is raised by SSP @3.00 ₹/KWH without showing any arrears. In case, it is decided to pay @ ₹3 p/u, MSEDCL will have an additional liability of ₹20,844 Lakhs (PY ₹35,034 Lakhs).

b) There is difference in energy/ supplementary bills raised by vendor and accepted by MSEDCL and such billing difference is considered as contingent liabilities and details as under:

(₹ in Lakhs)

<table>
<tr><th>Generator</th><th>FY 2020-21</th><th>FY 2019-20</th></tr>
<tr><td>MSPGCL</td><td>47,957</td><td>25,677</td></tr>
<tr><td>MSETCL</td><td>24,231</td><td>22,697</td></tr>
<tr><td>NPCIL</td><td>73</td><td>9</td></tr>
<tr><td>APML 1320</td><td rowspan="4">2,40,818</td><td rowspan="4">27,500</td></tr>
<tr><td>APML 1200</td></tr>
<tr><td>APML 125</td></tr>
<tr><td>APML 440</td></tr>
<tr><td>RIPL 450</td><td rowspan="2">80,238</td><td rowspan="2">24,700</td></tr>
<tr><td>RIPL 750</td></tr>
<tr><td>CGPL</td><td>-</td><td>595</td></tr>
<tr><td>GMR</td><td>3,521</td><td>3,915</td></tr>
<tr><td>JSW</td><td>79</td><td>-</td></tr>
<tr><td>Sai Wardha</td><td>1,179</td><td>-</td></tr>
<tr><td>Total</td><td>3,98,096</td><td>1,05,093</td></tr>
</table>

c) Power Purchase Agreement (PPA) was executed between Ratnagiri Gas & Power Pvt. Ltd (RGPPL) and MSEDCL on 10.04.2007. Gas supply from Krishna-Godavari D6 (KG D6) Basin was continuously reducing from September 2011 and subsequently was completely stopped from January 2014 onwards. Due to high cost of alternate fuel and to avoid any financial burden on its consumers, MSEDCL has not accepted the power in accordance with clause 5.9 of PPA and did not pay capacity charges from May 2013 onwards.

CERC vide order dt. 30.7.2013 has allowed RGPPL to declare availability on R-LNG to recover capacity charges. MSEDCL filed an appeal in APTEL against the said CERC Order. APTEL vide its order dated 22.04.2015, dismissed the appeal filed by MSEDCL. Subsequently MSEDCL filed an Appeal in the Supreme Court of India against the APTEL Order. Supreme Court of India has declined to entertain the appeal. However, Supreme Court of India gave liberty to the appellant to move the Supreme Court once again in the event it becomes so necessary.

As per RGPPL Letter dated 07.06.2019, earlier due amount of around ₹1,80,000 Lakhs (excluding surcharges) is kept in abeyance as per minutes of meeting held on 17.08.2015 at Prime Minister Office (PMO). RGPPL has been raising bills for capacity charges and interest and claimed ₹ 4,32,768 Lakhs upto March 2021 (PY ₹ 4,22,856 Lakhs). MSEDCL has paid an amount of ₹18,101 Lakhs as advance against the amount due. The amount paid has been shown as part of deposit. The entire amount of ₹4,32,768 Lakhs (PY₹4,22,856 Lakhs) is considered as contingent liability.

(B) Dispute Due to Rise in Coal Cost:

a) Disputed liability for compensatory tariff on account of New Coal Distribution Policy (NCDP):

The Government of India declared New Coal Distribution Policy (NCDP) on 23.07.2013. As per this new policy, Fuel Supply Agreement is allowed to be signed up to 65% to 75% of Aggregate Contract Quantity only. The balance coal is to be arranged by way of import by Coal India Ltd. / respective generator. As per directions of Ministry of Power, vide letter dated 31st July 2013, to all the States as well as State Commissions, higher cost of imported coal is to be considered for pass through as per modalities suggested by Central Electricity Regulatory Commission (CERC).

Adani Power Maharashtra Ltd (APML) and others had filed petition before Hon'ble MERC for compensation of incremental coal cost pass through due to NCDP seeking compensation over and above the tariff determined through Competitive bidding.

MERC passed an order on 07.03.2018 and allowed compensation to APML.MSEDCL had filed appeal in APTEL. Hon. APTEL issued judgment in favour of APML and remanded back the matter to MERC to pass necessary orders based on its findings in the judgment. Subsequently, MERC issued consequential orders on 10.12.2020.

Now, APML has submitted differential claims and the total claims are to the tune of ₹6,17,100 lakhs (₹ 3,83,800 lakhs and ₹2,33,300 lakhs towards principal and carrying cost resp.) MSEDCL has paid the amount equivalent to ₹1,40,000 Lakhs and ₹38,500 lakhs towards interest.

Moreover, MSEDCL has filed a Civil Appeal in Hon. Supreme Court challenging against APTEL's judgment. Considering the above, MSEDCL may have to pay the balance claim of ₹4,38,600 lakhs along with carrying cost. Hence total amount to be considered for contingent liability is ₹4,38,600 lakhs(PY ₹1,80,700 lakhs).

b) MERC has held that the coal distribution policy i.e. SHAKTI policy (Scheme for Harnessing and Allocating Koyala Transparently in India) as Change in Law event and has allowed compensation to APML from April 2017 onwards. MSEDCL had challenged the MERC orders in APTEL, however APTEL issued judgment on 28.09.2020 in favour of APML. Similar to NCDP matter, MSEDCL has filed Civil Appeal in Supreme Court against the APTEL's judgment. APML has submitted differential claims of ₹5,14,400 Lakhs (₹ 4,63,400 Lakhs & ₹51,000 Lakhs towards principal and carrying cost resp.) MSEDCL has made an ad hoc payment of ₹1,68,000 Lakhs towards principal liability. Hence the total amount to be considered for contingent liability under SHAKTI policy comes to the tune of ₹3,46,400 Lakhs (₹5,14,400 - ₹1,68,000). MSEDCL has made an ad hoc payment of ₹1,68,000 lakhs towards principle liability and made provision for ₹ 28,858 lakhs.

Hence, the total amount to be considered for contingent liability under SHAKTI policy comes to ₹3,17,542 lakhs (₹5,14,400 lakhs - ₹1,68,000 lakhs- ₹28,858 lakhs)(PY ₹1,59,353 lakhs).

c) CERC also has allowed compensation to GMR Worora Energy Ltd. (GWEL) towards domestic coal shortfall i.e. SHAKTI policy under the provisions of Change in law in PPAs vide its order in case no. 284 of 2018. MSEDCL filed petition in APTEL but APTEL disposed-off the same on 11.03.2021. MSEDCL has filed an appeal in Hon Supreme Court. GWEL has submitted its claim of ₹8,841 lakhs up to Mar 21 (₹8,014 lakhs & ₹827 lakhs towards Principal and carrying cost respectively). MSEDCL has paid an amount of ₹3,742 lakhs and carrying cost of ₹637 lakhs. Hence, the contingent liability comes to ₹4,463 lakhs (PY ₹4,701 lakhs).

d) MERC has passed an order in case no. 68 of 2012 on 06.09.2019. In its order Hon. MERC held that, the de-allocation of LOAHRA coal block which was earlier allocated to APML for its 800 MW capacity plant at Tiroda constitutes as change in law event. APTEL had issued judgment in cross appeals filed in this matter in favour of APML. MSEDCL has filed a Civil Appeal in Supreme Court against the judgment of APTEL. APML has raised an total claims of ₹9,83,300 lakhs (₹6,62,300 lakhs & ₹3,21,000 lakhs towards Principal and carrying cost respectively) MSEDCL has made an adhoc payment of ₹2,99,200 lakhs towards principal Liability. Hence, the amount claimed by APML is shown as contingent liability of ₹6,84,000 lakhs (PY ₹4,13,631 lakhs).

e) MERC had passed an order allowing compensation to JSWEL towards various change in law events vide its order in case no. 123 of 2017. JSWEL claimed the bill including the compensation towards auxiliary consumption on power supplied through alternate sources. MERC disallowed this claim vide its order in case no 289 of 2018. However JSWEL has filed an appeal in APTEL against the order of MERC vide case no 33 of 2019. APTEL issued judgment in the matter on 20.10.2020, however, MSEDCL has sought a clarification vide an application in APTEL on 24.05.2021. The same is pending. Therefore the amount of ₹2,608 lakhs (PY ₹2,147 lakhs)is considered as contingent liability.

(C) Dispute in DPS:

a) DPS of MSPGCL:

There is difference in DPS claimed by MSPGCL as compared to DPS worked out by MSEDCL. The major reason for such variation is due to different methodology adopted by MSPGCL and MSEDCL i.e., appropriation of payment towards Interest 1st & balance if any, will be adjusted towards Principal by MSPGCL whereas MSEDCL appropriates payments towards Principal 1st and then interest. However, there are no clear terms in the PPA regarding methodology for appropriation of payment. MSEB Holding Co. Ltd vide BR 450 dtd.27.08.2015 has directed MSPGCL to waive off DPS claimed against MSEDCL on the outstanding principal amount freezed as on 31st July, 2015. However, MSPGCL has not considered waiver of DPS till date, and continued to claim DPS on such freezed amount. Besides there are some billing differences. Hence, difference in DPS claimed by MSPGCL and DPS liability worked out by MSEDCL is considered as Contingent Liability. MSPGCL has claimed DPS of ₹. 2,51,151 lakhs for the FY 2020-21 and accounted for in FY 2021-22. DPS claimed up to Mar 2021 by MSPGCL is ₹. 14,86,210 lakhs as against DPS booked by MSEDCL up to Mar 2021 is ₹. 4,11,226 lakhs. Hence difference of ₹. 10,74,984 lakhs (PY ₹. 6,80,617 Lakhs) is shown as contingent liabilities.

b) DPS of MSETCL:

MSEB Holding Co. Ltd vide BR 450 dtd.27.08.2015 has directed MSETCL to waive off DPS claimed against MSEDCL on the outstanding principal amount freezed as on 31st July, 2015. However, MSETCL has not considered waiver of DPS till date. Further, there is a difference in DPS on amounts adjusted by MSEDCL and not adjusted by MSETCL. The difference of DPS claimed by MSETCL and recognised by MSEDCL as on 31.03.2021 is shown as Contingent Liability i.e., ₹. 1,06,848 lakhs (PY ₹. 79,364 Lakhs) against MSETCL.

c) DPS of IPPs:

Power Purchase Agreement (PPA) with IPPs provide for delayed payment surcharge at SBI Prime Lending Rate plus 2%. Accordingly, MSEDCL has provided for DPS at this rate till March 2016. However, RBI has introduced Base Rate system in place of PLR system w.e.f. 01.07.2010 & MCLR from Apr. 2016. MSEDCL had file petition in

MERC under "Change in Law" provisions of PPA for change in Rate of DPS from PLR to Base Rate/ MCLR. However, MERC rejected MSEDCL's petition vide order dtd. 16.11.2017. MSEDCL filed an appeal in APTEL vide appeal No. 77 of 2018 against MERC order. APTEL upheld MERC's order and as such MSEDCL filled petition in Hon. Supreme court. Now, Supreme Court also upheld the decision of lower courts and therefore, MSEDCL has made provision for additional DPS payable on undisputed claims as per MERC order in FY 2020-21. However, IPPs have claimed DPS on disputed bills also. Hence, there is difference of ₹5,01,838 Lakhs (PY ₹2,84,428 lakhs) in the amount of DPS claim which is considered as contingent liability as detailed below.

(₹in Lakhs)

Particulars	Contingent Liability on account of DPS		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Adani Power Maharashtra Ltd 1320 MW	4,25,964	97,186	36,077
Adani Power Maharashtra Ltd 1200 MW		1,15,422	35,861
Adani Power Maharashtra Ltd 125 MW		12,304	2,267
Adani Power Maharashtra Ltd 440 MW		14,328	2,862
Rattan India Power Ltd 450 MW	65,666	16,592	6,979
Rattan India Power Ltd 750 MW		11,735	4,443
JSW Energy Limited	1,983	10,890	9,417
GMR Warora Energy Ltd	8,002	5,971	2,880
Coastal Gujarat Power Ltd (CGPL)	219	-	-
Sai Wardha	4		
TOTAL	**5,01,838**	**2,84,428**	**1,00,786**

d) DPS OF NPCIL :

There is difference in DPS claimed by NPCIL as compared to DPS worked out by MSEDCL which is considered as Contingent liability as detailed below.

(₹ in Lakhs)

Name of the Vendor	DPS claimed by NPCIL	DPS liability provided by MSEDCL	Difference as Contingent Liability
NPCIL KAP	8	-	8
NPCIL TAP 1&2	2,757	39	2,718
NPCIL TAP 3&4	4,213	247	3,965
TOTAL	**6,978**	**286**	**6,691**

Disputed bills of NPCIL not accepted by MSEDCL hence DPC on disputed liability is not accepted. Secondly FAC rate revision bills are considered as due in instalments by MSEDCL.

(D) Dispute in Encashment of Contract Performance Guarantee (CPG):

MSEDCL had PPA with Lanco Vidarbh (the Generator) towards supply of power of 680 MW. Lanco Vidarbh failed to achieve the Schedule Commercial Operation Date (SCOD) as stipulated. As per terms of the PPA, MSEDCL has encashed the CPG amounting to ₹. 5,100 Lakhs and recognised as income in the year of encashment.

However, the Generator approached the State Commission. Accordingly, MERC has directed to return the Bank Guarantee (BG) amount vide order in case no. 85 of 2016 & 135 of 2015. MSEDCL has filed an appeal before APTEL and it is in process. The amount ₹. 5,100 Lakhs (PY ₹. 5,100 Lakhs) is considered as contingent liability.

(E) Most of the above mentioned amounts [covered by paragraphs (A) to (D) above] considered as Contingent Liability, if crystallised, would be allowed to be recovered through Aggregate Revenue Requirement (ARR) as per MERC Regulations, and are potential contingent assets. However, the amount of contingent asset, if any, that may arise on this account is not considered as such.

(iv) Interest Free Loan from Maharashtra Industrial Development Corporation (MIDC) (Refer Note 21):

The various electrical infrastructures upgradation and system improvement work at MIDC areas are carried out by MSEDCL. Considering the urgency, necessity and financial condition of MSEDCL, MIDC itself executes the work or provides funds to MSEDCL. The cost incurred by MIDC or funds provided by MIDC are treated as interest free loan from MIDC.

MIDC has raised claim of various works done under MIDC areas amounting to ₹. 11,669 Lakhs, out of which based on details available, MSEDCL based on available records has accepted claims amounting to ₹. 4,729 Lakhs and accounted for the same as interest free loan.

On the basis of Work Completion Report (WCR) and Handing Over Taking Over document received from field offices matched with the details provided by MIDC, MSEDCL has repaid ₹. 2,224 Lakhs to MIDC Out of ₹. 4,729 Lakhs. ₹. 2,505 Lakhs are still unpaid due to non-availability of WCR and Handing Over Taking Over document. The amount not accounted of ₹. 6,940 Lakhs (₹. 11,669 Lakhs - ₹. 4,729 Lakhs) has been considered as Contingent Liability. The amount ₹. 6,940 lakhs when accounted would be capitalised.

Further, MIDC has sanctioned ₹. 9,848 Lakhs vide letter dated 23.01.2017, and the same is received by MSEDCL on 24.01.2017. MIDC has not provided the detailed terms and condition of repayment of principal amount and interest payment.

However, MSEDCL vide letter dated 15.03.2017, 20.06.2017, 26.02.2018, 29.08.2018, 28.01.2019, 02.04.2020 and 02.02.2021 requested MIDC to provide the Work Completion Report (WCR) and Handing Over Taking Over document against ₹. 9,271 Lakhs (Total Claim of

MIDC ₹. 11,669 Lakhs - Refunded amount to MIDC ₹. 2,224 Lakhs - ₹. 174 Lakhs unpaid) and repayment schedule of the interest free loan of ₹ 9,848 Lakhs. But, the reply is awaited from MIDC.

Hence the total outstanding balance against MIDC Interest Free Loan is ₹ 12,352 Lakhs as on 31st March 2021 (₹ 2,505 Lakhs + ₹ 9,848 Lakhs).

(v) Deposits made by MSEDCL with MERC against user charges for use of assets of Mula-Pravara Electric Co-op. Society Ltd. (Refer Note 6):

Mula-Pravara Electric Co-op. Society Ltd. (MPECS) was in the business of Distribution of Electricity as a Licensee from 1970. Govt. of Maharashtra (GoM) had taken a decision with respect to viable rate to be charged to MPECS for the period from April 1977 to April 2000 in the month of May 1999. Due to the implementation of GoM's decision of viable tariff, erstwhile MSEB suffered a revenue loss of ₹ 22,100 Lakhs. The MERC had determined the tariff rate to be charged to MPECS from May 2000. MPECS had continued defaulting full payment from 1977. Due to which at the end of Jan. 2011 arrears amounted to ₹ 2,34,920 Lakhs. MPECS challenged the tariff determined by MERC. The matter is pending before Hon'ble Supreme Court and no interim stay has been granted to MPECS.

MSEDCL has also filed suit for recovery of arrears of ₹ 2,34,920 Lakhs before Civil Court, Shrirampur.

Considering the expiry of license of MPECS, MSEDCL filed a petition before MERC for revocation/ suspension of MPECS license. Similarly MPECS also filed a petition for grant/continuation of license. Considering the expiry of licensee of MPECS on 31.01.2011, MERC vide its order dt. 27.01.2011 permitted MSEDCL to supply the electricity in the areas of MPECS and decided the issue of license in favour of MSEDCL. Accordingly, MSEDCL is supplying the electricity w.e.f. 01.02.2011 in the said areas earlier serviced by MPECS using the infrastructure of MPECS.

MPECS challenged MERC order dt. 27.01.2011 and filed petition before Hon'ble APTEL. Hon'ble APTEL vide its order dt. 16.12.2011 directed MERC to review its decision for grant of license to MSEDCL and also directed to continue the existing arrangement of supplying electricity in MPECS area by MSEDCL, subject to payment of charges for use of distribution network of MPECS by MSEDCL.

MERC decided that MSEDCL being a deemed licensee, does not require fresh license after expiry of license of MPECS. MPECS challenged MERC order before ATPEL. These appeals are still pending before Hon'ble APTEL.

In the MPECS petition for user charges, MERC directed MSEDCL to carry out the valuation of assets of MPECS and directed to pay ₹ 100 lakhs per month as interim charges for use of assets to MPECS and directed MPECS to provide the necessary details for valuation of assets to MSEDCL. However, since MPECS failed to produce the fixed assets register and necessary documents to MSEDCL, interim charges were not paid and valuation could not be done. Considering this MERC dismissed the matter of determination of user charges stating that, in the absence of the valuation of assets, MERC may not be able to determine the charges payable by MSEDCL to MPECS for the use of the distribution assets.

MPECS thereafter filed appeal before Hon'ble APTEL in this regard in which Hon'ble APTEL vide its order dated 13.03.2015 directed MSEDCL to pay ₹ 100 Lakhs to MPECS as interim arrangement and also directed MERC to carry out valuation of assets. The order of APTEL was challenged by MSEDCL before Hon'ble Supreme Court. Hon'ble Supreme Court has directed to deposit ₹ 100 Lakhs per month to MERC instead of paying it to MPECS.

Accordingly, based on consultant's valuation report, MERC determined monthly charges payable to MPECS vide its order dt. 02.05.2016. MSEDCL, being aggrieved by the said order, has challenged MERC order dt. 02.05.2016 before Hon'ble APTEL and Hon'ble APTEL on said appeal has passed an order directing as under-

a) The amount of ₹ 6,364 Lakhs deposited by MSEDCL with the MERC together with interest accrued thereon be released to MPECS and consequently adjusted as user charges.

b) MSEDCL will continue to pay an amount of ₹100 Lakhs per month to MPECS.

c) MSEDCL to deposit monthly charges as per monthly schedule determined with MERC, after deducting ₹100 Lakhs paid to MPECS.

Accordingly, MSEDCL has made payment as under:

(₹ in Lakhs)

Particular	Paid up to 31.03.2020	Paid during FY 2020-21	Paid up to 31.03.2021
MPESC (charged to statement of profit and loss)	11,064	1,200	12,264
MERC (Deposit)	48,551	2,541	51,092
Total	**59,615**	**3,741**	**63,356**

As such, the amount of ₹51,092 Lakhs (PY₹48,551 Lakhs) deposited with MERC is considered as a contingent liability.

(vi) Others:

These claims relate to various cases filed against MSEDCL mainly for matters related with tariff levied in the energy bill, unauthorised use of power, compensation claim in case of fatal & non-fatal accidents and interest on outstanding payment to the vendors. These claims have been disputed by MSEDCL.

It is not practicable for the Company to estimate the timings of cash out flows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

II. Contingent Asset includes:

Contingent Asset includes following billing dispute Cases.

(₹ in Lakhs)

Sr. No.	Particular	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
1	Vodafone India Ltd. (since merged with and post-merger w.e.f. 31.08.2018 known as Vodafone Idea Ltd.)*	1,382	1,284	1,167
2	Idea Cellular Ltd (since merged with and post-merger w.e.f. 31.08.2018 known as Vodafone Idea Ltd.)*	2,653	2,481	2,275
3	Various Suppliers of Materials	31,780	31,808	31,808
4	Others**	1,28,360	8,060	-
	Total	**1,64,175**	**43,634**	**35,250**

* Vodafone India Ltd. and Idea Cellular Ltd. (both have merged with effect from 31st August 2018 and post-merger known as Vodafone Idea Ltd.) are High Tension (HT) consumers who were initially billed at industrial tariff. However, it has been observed that no industrial activity is carried out by these consumers and as such it would be appropriate to levy commercial tariff to them. Hence, the tariff category is changed and the differential amount was charged to the consumers. Aggrieved by this demand, these consumers filed writ petition in High Court for continuation of industrial tariff. The order in these matters is awaited. Since the revenue is booked as per industrial tariff, the differential amount is shown as contingent asset.

**M/s Reliance infocomm infrastructure Pvt. Ltd. is HT consumer having two connections, wherein it has been observed that no industrial activity is carried out by these consumers and as such it would be appropriate to levy commercial tariff to them, hence the provisional differential tariff bill for unauthorised use was issued to the consumers. However, the consumers filed write petition in High Court. The order in these matters is awaited, since the demand for differential tariff is not booked, the same is shown as contingent asset.

III. Other Commitments:

The Company has executed PPAs for purchase of power up to capacity of around 37,792 MW for FY 2020-21 (PY 38,216 MW) with various Individual Power Plants (IPPs) and is committed to procuring power as per the requirement and on Merit Order Dispatch (MOD) principal as directed by MERC, at the rate as applicable from time to time.

2. Going Concern Assumption (Refer Note 16):

The accumulated losses of the Company as at 31st March 2021 are ₹ 25,32,154 Lakhs. (PY ₹ 24,00,537 Lakhs). The current liabilities as at 31st March 2021(PY 31st March 2020) are in excess of its current assets.

MSEDCL is the only power distribution licensee which caters to the requirements of all consumers in the state of Maharashtra except certain areas of Mumbai. Electricity, being essential service, needs to be supplied to the consumers on continuous (24 X 7) basis.

MSEDCL recovers energy bills from various categories of consumers at the tariff determined by MERC on the Cost plus Tariff basis i.e. cost plus return on equity. The revenue gap, if any, is adjusted in the tariff of subsequent years' after due diligence by MERC. The tariff is fixed for control period up to FY 2024-25 and accordingly the projected cash flow is prepared upto FY 2024-25 which shows that the revenue generated is reasonably sufficient to meet out the expenses.

The Company has entered into long term power purchase agreements with various power generators for a period from 15 – 35 years and has been procuring power as per requirements from time to time. Recently, in order to tide over the liquidity crunch and ensure operational efficiency, GoM has taken over the debt of MSEDCL which is being converted into grant in phased manner under UDAY scheme, launched by Government of India. Under the said Scheme, the GoM has also agreed to take over part of the losses incurred by the Company till FY 2021-22.

The Company has been consistent in meeting its day-to-day liabilities. The Company has also been regular in debt servicing of long term & short-term loans and there is no default in debt servicing.

Further, MSEDCL is fully owned by GoM and various projects/ schemes are being implemented by GoM for improvement in distribution network & consumer service, considering the interest of the public at large. Such projects are funded by the GoM either in the form of equity or grant.

Considering the above and the fact that Government of Maharashtra is expected to infuse additional funds, as and when required, the financial statements have been drawn up on going concern basis and no adjustment is considered necessary to the carrying value of assets and liabilities.

3. <u>Renewable Purchase Obligation (RPO)(Refer Note 24& 29):</u>

As per MERC RPO Regulations 2016, every Obligation Entity shall procure electricity generated from eligible Renewable Energy (RE) sources or purchase Renewable Energy Certificate (REC) to the extent of the percentages specified in Regulation, out of its total procurement of electricity from all sources in a year. MSEDCL could not fulfil the RPO as per MERC specification.

i) Accounting of Renewable Purchase Obligation (RPO):

Till FY 2017-18, MSEDCL was procuring RE power at the MERC determined preferential rate for fulfilment of RPO compliance and as such the provision for the shortfall in RPO till 31.03.2019 has been made at the respective average power purchase rate for solar and non-solar. MERC has issued RE Tariff Regulations, 2019 dated 30.12.2019 (Effective from 01.04.2020). As per Regulation 7.1 of the said Regulation, the tariff shall invariably be determined through a transparent process of competitive bidding in accordance with the Guidelines issued by the Central Government under Section 63 of the Act, inter-alia for all the types of RE Projects. Accordingly, MSEDCL started floating tenders for procuring renewable power. The RE projects which were contracted during FY 2018-19 & FY 2019-20 through competitive bidding route, started supplying power from FY 2019-20. Hence, RPO provision of ₹ 2,00,360 Lakhs for FY 2019-20 only was made at discovered competitive bidding rate, while earlier provision was remained at average RE purchase rate.

In view of above MERC Regulations and increasing purchase quantum from short term and competitive bidding, MSEDCL has made the provision for cumulative RPO shortfall at average Competitive bidding rate as on 31.03.2021 and withdrawn the net excess provision of ₹ 70,300 lakhs.

ii) Receivable from IEX/PXIL towards REC purchase:

The Hon'ble CERC had determined the forbearance and floor price for the renewable energy certificates (REC) applicable from 01.04.2017 vide its order dated 30.03.2017 is as below:

	Solar (₹/MWh)	Non-Solar (₹/MWh)
Forbearance Price	2,400	3,000
Floor Price	1,000	1,000

As the floor and forbearance prices were decreased, the Indian Wind Power Association (IWPA) and Green Energy Association (GEA) challenged CERC Order dated 30.03.2017 before the APTEL and thereafter before the Hon'ble Supreme Court against APTEL order dtd 23.04.2018.

The Hon'ble Supreme Court, vide its interim order dtd 14.05.2018, has given the directions and accordingly, CERC vide its letter dtd 28.05.2018 has informed as under-

a) Floor and forbearance prices of solar RECs for the purpose of trading at the power exchange shall continue to be governed in accordance with the Commission's order dtd 30.03.2017.

b) Trading in Non-solar REC issued prior to 01.04.2017 shall be carried out at the floor price of ₹. 1500/- Mwh. The obligated entities/ power exchanges shall deposit ₹. 500/- Mwh with Commission.

c) Arrangements as mentioned in (b) above shall be subject to the outcome of the Civil Appeal no. 4801 of 2018.

Consequently, MSEDCL vide its various letter requested CERC/IEX/PXIL for refund of the amount of ₹. 20,510 lakhs deposited into the account of Hon'ble CERC on behalf of MSEDCL with applicable interest pertaining to purchase of REC by MSEDCL in FY 2017-18. However, no reply is received from CERC/IEX/PXIL, hence MSEDCL has decided to file I.A. in Civil Appeal no. 4801 of 2018 before Hon'ble Supreme Court of India with a prayer, to direct CERC to refund the amount deposited into the account of CERC (₹. 20510 lakhs) with applicable interest pertaining to purchase of REC by MSEDCL in FY 2017-18. Since this amount is not yet received, MSEDCL has provided time loss of ₹. 4,187 on the amount of ₹. 20,510 lakhs receivable from IEX/PXIL.

4. Balance Confirmation :

Balances of Trade Payables, Loans & Advances, Other Current as well as Non- Current Assets/Liabilities are subject to reconciliation / confirmation and necessary adjustments, if any, from the respective parties. Balance confirmations of various post offices are not available. Hence these balances are subject to reconciliation/confirmation and necessary adjustments, if any. The management does not expect any material difference affecting the current year financial statement due to the same.

5. Capital Work in Progress and Property Plant Equipment (Refer Note 3 & 3A):

An asset is created based on the Work Completion Report (WCR) generated in the SAP–ERP system. Wherever the date of capitalisation in the system is later than actual capitalisation, the depreciation for the differential period is calculated and accounted for. In few cases, work has been completed but not capitalised. This has resulted in non-charging of depreciation in such cases. The amount of depreciation not provided for, however, is unascertainable.

6. Financial Instruments:

The classification of assets and liabilities has been given as below (Refer Balance Sheet):

NOTE 36 (6) :

(in Lakhs)

Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amount

	As at 31.03.2021				As at 31.03.2020				As at 01.04.2019			
	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
Financial assets												
(i) Investments in Equity	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in Bonds	-	-	31,340	33,989	-	-	31,370	33,420	-	-	18,573	19,087
(iii) Trade Receivables	-		48,97,472	48,97,472		-	39,45,989	39,45,989	-	-	30,06,095	30,06,095
(iv) Cash and Cash Equivalents	-	-	65,446	65,446	-	-	1,68,626	1,68,626	-	-	43,096	43,096
(v) Other Bank Balances	-	-	12,640	12,640	-	-	69,004	69,004	-	-	79,513	79,513
(vi) Loans	-	-	31,129	31,129	-	-	33,657	33,657	-	-	34,799	34,799
(vii) Other Financial Assets	-	-	8,28,450	8,28,450		-	8,76,690	8,76,690	-	-	10,63,840	10,63,840
Total		**-**	**58,66,476**	**58,69,125**	**-**	**-**	**51,25,336**	**51,27,385**		**-**	**42,45,916**	**42,46,430**
Financial liabilities												
(i) Borrowings including Current Maturities	-	-	37,94,045	37,94,045	-	-	38,09,402	38,09,402	-	-	33,21,255	33,21,255
(ii) Trade Payables	-	-	32,11,946	32,11,946		-	20,38,127	20,38,127	-	-	17,76,038	17,76,038
(iii) Other Financial Liabilities excl. Current Maturities	-	-	31,75,397	31,75,397	-	-	29,79,940	29,79,940	-	-	22,39,097	22,39,097
Total	**-**		**1,01,81,388**	**1,01,81,388**	**-**	**-**	**88,27,468**	**88,27,468**	**-**	**-**	**73,36,390**	**73,36,390**

Financial Risk Management:

Risk management framework

In its ordinary operations, MSEDCL's activities expose it to various types of risks, which are associated with the financial instruments and markets in which it operates. MSEDCL has its risk management process which has been carried out at regular interval. The following is the summary of the main risks:

I. Regulatory Risk

MSEDCL submits the Annual Revenue Requirement (ARR) to Maharashtra Electricity Regulatory Commission (MERC). The MERC after due diligence & prudence check determine the tariff to be charged to consumer. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically. The tariff is determined based on normative parameters as set out in the said Regulations. Any change in the normative parameters or guiding Regulatory provisions or perception will have impact on the income from sale of the power of the company.

II. MSEDCL has identified financial risk and categorized them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category are as below.

(i) Credit Risk :

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from customers and investment securities. MSEDCL establishes the policy for allowance for expected credit loss and impairment that represents its estimate of losses in respect of trade, other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amounts.

a) Trade Receivables including interest(Refer Note 10 & 13):

As per the accounting policy MSEDCL has determined the allowance of expected credit loss on trade receivables taking into consideration its widespread base of customers as well as the social obligations that the Company has to fulfill as the primary electricity distributor in the state of Maharashtra.

Trade receivables being short term in nature, lifetime expected credit losses are measured, considering the asset as credit impaired, in case the customer does not pay on due dates. Following Ind AS 109, MSEDCL has opted to exercise the practical expedient of determining the loss allowance on a provision matrix. This matrix takes into consideration appropriate grouping or segmentation of Customers and their ageing profile. MSEDCL has determined forward looking information on the behavior pattern of the customer.

Further, while making the provision for expected credit loss:

(a) The Company has considered trade receivables from customers against whom legal proceedings have been initiated except MPECS.

(b) The Company has considered trade receivables due from distribution franchisees.

(c) The Company has considered trade receivables after deducting security deposits received from consumers on individual basis. The trade receivables to the extent of security deposit amount, is considered as secured receivables and the ECL are provided on such remaining unsecured receivables.

The total security deposit from consumers as per books of account and Information Technology (IT) data base are ₹ 8,53,103 Lakhs (FY 2019-20 ₹ 8,10,680 Lakhs FY 2018-19 ₹ 7,54,348 Lakhs) (Refer Note 18) and ₹ 8,44,713 Lakhs (FY 2019-20 ₹8,08,783 Lakhs FY 2018-19 ₹ 7,54,775 Lakhs) respectively. There is difference of ₹ 8,390 Lakhs (FY 2019-20 ₹ 1,897Lakhs FY 2018-19 ₹ 427 Lakhs) between the security deposit from consumers as per books of accounts and IT. However, provision for interest on Security Deposit is made as per IT report.

The movement in allowance for expected credit losses on trade receivable is as under (Refer Note 10, 13&35).

(₹ in Lakhs)

Particular	Amount
ECL Allowance as on April 1, 2018	**8,88,183**
Addition during the FY 2018-19	2,15,265
Write-off during FY 2018-19	4,01,934
ECL Allowance as on March 31, 2019	**7,01,514**
Addition during the FY 2019-20	3,25,784
Write-off during FY 2019-20	3,28,226
ECL Allowance as on March 31, 2020	**6,99,072**
Addition during the FY 2020-21	4,15,997
Write-off during FY 2020-21	46,505
ECL Allowance as on March 31, 2021	**10,68,564**

b) Other Receivables(Refer Note 5, 6, 12, 13 & 35) :

Besides Trade Receivables, the Company has recognised an allowance for expected credit losses on other financial assets.

The movement in allowance for expected credit losses on other receivables is as under.

(₹ in Lakhs)

Particular	Amount
ECL Allowance as on April 1, 2018	**20,090**
Movement during FY 2018-19	5,800
ECL Allowance as on March 31, 2019	***25,889**
Movement during FY 2019-20	(317)
ECL Allowance as on March 31, 2020	***25,572**
Movement during FY 2020-21	7,829
ECL Allowance as on March 31, 2021	**33,402**

*It includes provision of bad and doubtful debts of ₹600 Lakhs (PY ₹ 599 Lakhs) on other receivables from related parties.

The details of computation of ECL on trade receivables & other receivables are as follows:

NOTE 36(6)(II)(i)(a) :

(₹ in Lakhs)

ECL on Trade Receivables including interest

Customer Category	Net Trade Receivables (Gross Outstanding after adjustments)	ECL Allowance	Percentage of Allowance to Net Outstanding	Net Trade Receivables (Gross Outstanding after adjustments)	ECL Allowance	Percentage of Allowance to Net Outstanding	Net Trade Receivables (Gross Outstanding after adjustments)	ECL Allowance	Percentage of Allowance to Net Outstanding
	As on 31 March 2021			As on 31 March 2020			As on 1 April 2019		
Government Customers	6,15,222	1,03,139	16.76%	5,41,261	1,21,790	22.50%	4,76,871	59,874	12.56%
*Regular Good	8,36,698	38,381	4.59%	5,26,067	12,280	2.33%	4,90,717	27,928	5.69%
*Regular Residual							2,294	454	19.79%
Agricultural	34,02,410	2,76,687	8.13%	30,18,029	3,33,402	11.05%	26,60,838	4,54,448	17.08%
Permanently Disconnected	5,55,715	4,75,763	85.61%	4,65,707	4,30,344	92.41%	6,83,876	4,31,464	63.09%
Sundry Debtors for Sale of Power to Franchisee	66,703	45,606	68.37%	16,221	216	1.33%	12,485	14	0.11%
Total	**54,76,748**	**9,39,576**	**17.16%**	**45,67,285**	**8,98,031**	**19.66%**	**43,27,081**	**9,74,182**	**22.51%**
Provision for bad and doubtful debts	1,29,267	1,28,988		1,29,267	1,29,267		1,29,267	1,29,267	-
PD including amnesty & Abhay Yojana write off				-	(22)		-	(4,01,934)	-
LT AG int write off				-	(2,20,410)		-	-	-
Government Consumers Int W/Off				-	(1,07,794)		-	-	-
Total of above	**56,06,014**	**10,68,564**	**19.06%**	**46,96,552**	**6,99,072**	**14.88%**	**44,56,348**	**7,01,515**	**25.19%**

NOTE 36(6)(II)(1)(b) :

ECL on Other Receivables

(₹ in Lakhs)

Particulars	Other Receivables	ECL Allowance	Percentage of Allowance to Net Outstanding	Other Receivables	ECL Allowance	Percentage of Allowance to Net Outstanding	Other Receivables	ECL Allowance	Percentage of Allowance to Net Outstanding
	As on 31 March 2021			As on 31 March 2020			As on 1 April 2019		
MSPGCL	47,016	15,887	33.79%	47,016	13,366	28.43%	47,008	12,209	25.97%
MSETCL	-	-	0.00%	7	-	0.00%			0.00%
Other State Electricity Boards							9,277	9,218	99.36%
Others deposits	2,284	1,282	56.13%	2,216	1,257	56.74%	1,878	1,200	63.90%
Total	**49,300**	**17,169**	**34.83%**	**49,238**	**14,623**	**29.70%**	**58,163**	**22,627**	**38.90%**
Provision for bad and doubtful other receivables:									
MSETCL							1,572	1,572	
MPDCL	247	247	100.00%	247	247	100.00%	247	247	100.00%
APCL	146	146	100.00%	145	145	100.00%	144	144	100.00%
DPCL	207	207	100.00%	207	207	100.00%	207	207	100.00%
Other State Electricity Boards	9,429	9,277	98.39%	9,277	9,277	100.00%			0.00%
Loan & advances to Licensee	31	31	100.00%	31	31	100.00%	31	31	100.00%
Aadvances/ amounts recoverables from employees	1,124	1,124	100.00%	1,037	1,037	100.00%	1,056	1,056	100.00%
Investment in Equity instruments: APCL	5	5	100.00%	5	5	100.00%	5	5	100.00%
Old DCC bank balance provision	1,009	1,009	100.00%	-	-	0.00%	-	-	0.00%
Refund receivable from IEX & PXIL [ref note no. 36,3,(ii)]	20,510	4,187	20.42%						
Total of provision	**32,708**	**16,233**	**49.63%**	**10,949**	**10,949**	**100.00%**	**3,262**	**3,262**	**100.00%**
Grand total	**82,007**	**33,402**	**40.73%**	**60,188**	**25,572**	**42.49%**	**61,425**	**25,889**	**42.15%**

Note on Credit Risk Concentration

MSEDCL does not have any credit risk concentration. It has more than 285 Lakhs (PY 278 Lakhs) consumers in various categories with diverse patterns of consumption of electricity.

c) Cash and Bank Balances: (Refer Note 11)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Cash and Cash Equivalents	65,446	1,68,626	43,096
Other Bank Balances	12,640	69,004	79,513

Credit loss is not provided for cash and Bank Balances as they are held with the banks, having good reputation. However, in case of DCC banks provision for doubtful recovery has been provided to the extent of bank balance of ₹ 1,008 Lakhs.

d) Investments(Refer Note 4) :-

Investments made are for specific purposes and is also made in a subsidiary Company. Provision for diminution in the value of investments made in subsidiary Company has been created for a value of ₹ 5 Lakhs (PY ₹ 5 Lakhs). Fair values of bonds are derived from quoted market near the reporting date (Level 1).

(ii) Liquidity Risk :

Liquidity risk is the risk that MSEDCL will not be able to meet its financial obligations as they become due. MSEDCL has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. MSEDCL has adequate borrowing limits in place duly approved by its Board. MSEDCL sources of liquidity include operating cash flows, cash and Bank Balances, 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.

a) Financing arrangements :

MSEDCL has adequate fund and non-fund based limits from various banks. MSEDCL has sufficient borrowing limits in place duly approved by its Board. It's diversified source of funds and strong operating cash flows enable it to maintain requisite capital structure discipline. The financing products include buyer's credit loan clean & secured domestic term loan.

b) Arrangement for working capital facilities & securities given(Refer Note 21):

An arrangement for working capital facilities (fund based and non-fund based) including cash credit facility and Working Capital Demand Loan (WCDL) aggregating to ₹ 7,00,000 Lakhs (PY₹ 7,00,000 Lakhs) has been made with the various banks, details of which are as under:

Arrangement for working capital facilities (fund based and non-fund based) for FY 2020-21

(₹ in Lakhs)

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 31.03.2021	Fund Based balance as on 31.03.2021	Non Fund Based Limits	Non Fund Based Limits utilized as at 31.03.2021	Non Fund Based balances as on 31.03.2021
Canara Bank (Syndicate Bank merged with Canara Bank)	1,73,250	82,000	91,250	2,03,300	1,99,328	3972
Bank of India	34,000	-	34,000	95,000	84,561	10,438
Punjab National Bank (United Bank of India merged with PNB)	49,000	49,000	-	-	-	-
Bank of Maharashtra	63,750	62,500	1,250	11,700	11,268	432
State Bank of India	30,000	30,000	-	40,000	12,638	27,362
Total	**3,50,000**	**2,23,500**	**1,26,500**	**3,50,000**	***3,07,795**	**42,204**

* It includes Bank Guarantee of ₹1,623Lakhs and Letter of Credit of ₹3,06,172Lakhs.

Arrangement for working capital facilities (fund based and non-fund based) for FY 2019-20.

(₹ in Lakhs)

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 31.03.2020	Fund Based balance as on 31.03.2020	Non Fund Based Limits	Non Fund Based Limits utilized as at 31.03.2020	Non Fund Based balances as on 31.03.2020
Canara Bank	1,50,000	1,44,000	6,000	2,00,000	1,99,385	615
Bank of India	34,000	34,000	-	95,000	79,726	15,274
United Bank of India	49,000	49,000	-	-	-	-
Syndicate Bank	23,250	23,250	-	3,300	-	3,300
Bank of Maharashtra	63,750	62,000	1,750	11,700	4,604	7,096
State Bank of India	30,000	30,000	-	40,000	-	40,000
Total	**3,50,000**	**3,42,250**	**7,750**	**3,50,000**	***2,83,715**	**66,285**

*It includes Bank Guarantee of ₹ 4,614 Lakhs and Letter of Credit of ₹ 2,79,101 Lakhs.

Arrangement for working capital facilities (fund based and non-fund based) for FY 2018-19.

(₹ in Lakhs)

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 01.04.2019	Fund Based balance as on 01.04.2019	Non Fund Based Limits	Non Fund Based Limits utilized as at 01.04.2019	Non Fund Based balances as on 01.04.2019
Canara Bank	1,50,000	1,41,500	8,500	2,00,000	1,93,248	6,752
Bank of India	34,000	-	34,000	95,000	69,823	25,177
United Bank of India	49,000	49,000	-	-	-	-
Syndicate Bank	38,250	38,250	-	3,300	-	3,300
Bank of Maharashtra	63,750	61,750	2,000	11,700	3,362	8,338
Untied GAP	15,000	-	15,000	40,000	-	40,000
Total	**3,50,000**	**2,90,500**	**59,500**	**3,50,000**	***2,66,433**	**83,567**

* It includes Bank Guarantee of ₹ 3,892 Lakhs and Letter of Credit of ₹ 2,62,541 Lakhs.

The above working facilities are secured by hypothecation of present & future book debts of the Company of the non-escrow circles.

The details of Unsecured short term loans- bank & others are as under:

(₹ in Lakhs)

Particular	As at 31 Mar 2021	As at 31 Mar2020	As at 01 Apr 2019
(I) Loans from banks (Short term Loan)			
(i) Maharashtra State Co-op. Bank	50,000	1,43,333	83,333
(ii) Ratnagiri District Co Op Bank		-	30,000
(iii) Thane District Co Op Bank		-	16,668
(II) Loan from Others			
(i) Interest free Loan from Maharashtra Industrial Development Corporation (MIDC)	12,352	12,352	12,352
(ii) Energy Development Agency Ltd	-	-	25,000
Total	**62,352**	**1,55,685**	**1,67,354**

c) Maturities of financial liabilities :

The amounts disclosed in the table are the contractual undiscounted cash flows (Refer Note 17, 18, 21, 22 & 23).

(ii) Maturities of financial liabilities

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

(₹ in Lakhs)

Particular	Contractual cash flows								
	As on 31 March 2021			As on 31 March 2020			As on 1 April 2019		
	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	10,45,358	17,09,030	10,43,420	9,21,861	20,65,853	8,12,548	4,57,854	18,28,944	10,34,457
Trade payables	32,11,946	-	-	21,71,096	-	-	17,73,889	-	-
Other financial liabilities	30,16,583	34,056	8,96,612	25,22,833	36,225	8,57,157	14,85,908	24,645	8,99,453
Total	**72,73,888**	**17,43,086**	**19,40,032**	**56,15,790**	**21,02,078**	**16,69,705**	**37,17,651**	**18,53,589**	**19,33,910**

(iii) Market Risk - Market Risk is further categorized as (a) Currency Risk, (b) Interest Rate Risk

a) Currency Risk:

MSEDCL does not have any currency risk as it does not have any exposure to foreign currency loans.

b) Interest Rate Risk(Refer Note 17 & 21):

MSEDCL's interest rate risk arises from the potential changes in interest rates on borrowings. The interest rate profile of the MSEDCL's interest bearing financial instruments is as follows.

(₹ in Lakhs)

	Carrying Amounts		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Fixed-rate instruments			
Financial liabilities- Borrowings	22,83,701	12,70,563	14,50,015
Variable-rate instruments			
Financial liabilities- Borrowings	15,01,754	25,30,282	18,58,888

c) Cash flow sensitivity analysis for variable-rate instruments(Refer Note 33)

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.

(₹ in Lakhs)

	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2021		31.03.2020		01.04.2019	
Floating rate borrowings	(3,754)	3,754	(6,326)	6,326	(4,647)	4,647
Cash flow sensitivity (net)	(3,754)	3,754	(6,326)	6,326	(4,647)	4,647

7. Regulatory Assets (Refer Balance sheet and Profit and loss):

i) Nature of rate regulated activities

As per Ind AS 114 Regulatory Deferral Accounts, the business of electricity distribution is a rate regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the Regulator determines tariff to be charged by the Company to its consumers based on prevailing Regulations.

ii) Recognition and measurement

MSEDCL submits the Annual Revenue Requirement (ARR) to Maharashtra Electricity Regulatory Commission (MERC). The MERC after due diligence & prudence check determine the tariff to be charged to consumer. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically.

MERC vide order dated 30.03.2020 has approved the final truing up of Aggregate Revenue Requirement (ARR) FY 2017-18 & FY 2018-19, provisional truing up of FY 2019-20 and approved tariff for control period from FY 2020-21 to FY 2024-25.

Accordingly, Regulatory Asset of MSEDCL as at 31st March 2021 is accounted for and the details are as follows:

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
A	Opening Regulatory Asset	16,16,948	9,15,873	9,47,873
B	Regulatory income during the year:			
	i) Power purchase cost [excluding provision made of ₹ 2,00,360 lakhs (P.Y. ₹ 2,39,000 lakhs)towards shortfall of Renewable Power Obligation (RPO)]	62,65,140	67,49,920	63,44,733
	ii) Other expenses as per the terms of Tariff Regulations including ROE	12,19,442	11,77,376	8,39,451
	iii) Revenue billed during the year	73,04,161	73,14,296	72,74,885
	iv) Carrying Cost Allowed	1,10,499	88,075	58,700
	Regulatory income / (expenses) (i+ii-iii+iv)	2,90,919	7,01,075	(32,000)
C	Allowance/(disallowance) of income of previous year(s)	-	-	-
D	Closing Regulatory Asset/(Liability) (A+B+C)	19,07,867	16,16,948	9,15,873

iii) Risk associated with future recovery/ reversal of regulatory asset balance

a) Regulatory risk

The tariff is determined after considering PP cost, Operation and Maintenance cost, finance cost, depreciation, other expenses, Return on Equity (ROE) and non-tariff income and after applying prescribed norms. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically. The tariff is determined based on normative parameters as set out in the said Regulations. Any change in the normative parameters or guiding Regulatory provisions or perception will have impact on the income from sale of the power of the company.

b) **Demand Risk -** Change in consumer mix, shifting of existing consumers to alternative sources of supply and vice n versa, etc.

c) **Other risk including other market risk –** Short generation of power due to shortage of fuel, social and economic obligations etc.

These may have an impact on the recovery of regulatory asset balance.

8. Subsidy from GoM towards concession in Tariff (Refer Note 10):

Maharashtra Electricity Regulatory Commission (MERC) has powers to determine electricity tariff under section 61 & 62 of Electricity Act, 2003. The State Government has powers under section 65 of Electricity Act, 2003 to give concession in electricity tariff to any consumer or class of consumers. The State Government reimburses to the Company to the extent of subsidy granted to the consumers. As it is subsidy to consumers and not the Company, the Company accounts for the same in the books of account as "Receivable from Government of Maharashtra" under Trade Receivable and the 'Revenue From Sale of power' is booked at the MERC Tariff rate.

MERC, while determining the electricity tariff does not consider the concession/ subsidy given by the State Government in electricity tariff to any consumer or class of consumers. The electricity tariff determined by MERC is full tariff and not subsidised/concessional tariff. Thus the revenue from sale of power is not booked at the concessional tariff rate, but at MERC Tariff Rate i.e. rate without the concession/ subsidy in electricity tariff to any consumer or class of consumers given by the State Government. The subsidy given by the Government of Maharashtra is just like partial payment (to the extent of concession/subsidy) on behalf of concerned consumers / categories of consumers.

(₹ in Lakhs)

Year	Opening Balance Receivable from GoM.	Subsidy Accounted	Subsidy Received/Adjusted	Balance Receivable from GoM.
2018-19	2,10,254	10,34,557	11,66,207	*78,604
2019-20	*78,604	8,00,781	**5,69,962	3,09,423
2020-21	3,09,423	9,48,387	8,18,490	4,39,320

*After considering the adjustment of subsidy of ₹ 4,32,220 Lakhs against Electricity Duty/ Tax on sale of Electricity payable to GoM.

** It does not include subsidy of ₹ 4,32,220Lakhs adjusted against Electricity Duty/ Tax on sale of Electricity in FY 2018-19.

9. Termination of Distribution Franchisee Agreement(Refer Note 10):

a) Global Tower Ltd. (GTL):

A Distribution Franchisee Agreement (DFA) was signed with Global Tower Ltd. (GTL) on 23.02.2011 for the designated Distribution Franchisee (DF) area of Aurangabad and it was handed over to GTL on 01.05.2011. As per provisions of DFA, GTL was to pay the invoice amount towards energy supplied by MSEDCL at the input points of Aurangabad DF area within stipulated time. GTL failed to pay the full amount of invoice raised by MSEDCL in time and the outstanding piled up.

The DFA with GTL was terminated with effect from 10th November, 2014 and the designated Distribution Franchisee (DF) area was taken over by MSEDCL for further operations. The final dues from GTL are yet to be settled with due deliberation by the Board. Legal proceedings are initiated for recovery of receivable amount ₹. 44,727 Lakhs - including accumulated interest of ₹. 43,193 Lakhs (PY ₹. 37,506 Lakhs - including accumulated interest of ₹. 35,972Lakhs). MSEDCL has provided 100% ECL on the said amount.

b) Spanco Nagpur Discom (SND) Limited:

SND Ltd (formerly Spanco Nagpur Discom Limited) was appointed as Distribution Franchisee (DF) of MSEDCL for three divisions of Nagpur Zone and was operational since 01st May 2011.

However, SND Ltd has informed MSEDCL about precarious financial position of the company and its inability to continue the DF operations in Nagpur area. Considering the deteriorating performance & financial crunch of SND Ltd, MSEDCL decided to take over the operations of the Nagpur DF Area as per the request of SND Ltd. Thereafter, as per the provisions of DFA, Final Termination Notice was issued to SND Ltd on 07.09.2019 and designated area was taken over by MSEDCL on 09.09.2019. Final termination account in respect of SND Ltd is in progress and provisional amount payable to SND Ltd is ₹5,400 Lakhs (PY ₹. 5,096Lakhs), however, the balance as per books of accounts is ₹. 16,298 lakhs. No effect to the said termination has been given in the financial statements as at 31st March 2021. The same is shown as contingent liability.

10. <u>Ind AS 19- Employee Benefits (Refer Note 19, 24 & 30):</u>

Post-Employment Benefits:

A) Defined Benefit Plan:

(i) Provident Fund :

The Company makes separate contribution towards provident fund to a defined benefit retirement plan. The provident fund is administered by the Trustees of the Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). Under the Scheme, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. In keeping with the guidance on implementing Ind AS 19 Employee Benefits, employer established provident funds are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The provision of ₹ 3476 lakhs has been made on account of shortfall in interest payable to the beneficiaries for FY 2019-20. However, there is no such shortfall for FY 2020-21.

Deficit, if any, having regard to the position of the fund as compared to aggregate liability is additionally contributed by the Company and recognized as expenses. During the year, the fair value of plan assets at the end of the year is more than the liability for subscription and interest as given under.

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

(₹ in Lakhs)

Sr.No.	Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
1.	Liability for subscriptions and interest payable to employees at the end of year	6,70,990	6,08,338	6,07,553
2.	Fair Value of Plan Assets at the end of year	7,23,110	6,41,427	6,13,456
3.	Surplus	52,120	33,090	*5,903

*Above mentioned figures as at 31.03.2019 does not include the additional impact of provident fund of ₹ 4,460 Lakhs arising on account of pay revision, which took place on 11th Sept, 2019 w.e.f. 01st April, 2018.

(b) Description of Plan Assets :

Sr. No.	Particulars	For the year ended 31st March, 2021 (in %)	For the year ended 31st March, 2020 (in %)	For the year ended 1st April, 2019 (in %)
1.	Central Government Securities	7.11	8.19	8.37
2.	Other Securities	31.03	28.98	27.89
3.	Listed Debt Securities	6.47	6.99	4.81
4.	Basel III Tier-I Bonds	31.95	29.77	32.27
5.	Exchange Traded Funds (ETF)	2.49	2.37	1.66
6.	Special Deposit Scheme	20.95	23.70	24.99

(ii) Gratuity (Unfunded Defined Benefit Plan) :

Gratuity payable to all employees of MSEDCL is as per the provisions of the Payment of the Gratuity (Amendment) Act, 2018 or MSEB Gratuity Regulations 1960, whichever is beneficial to the employees.

Gratuity and Long Term Compensated Absences - as per actuarial valuations by independent actuaries at the year-end by using projected unit credit method as on 31st March, 2021 are recognized in the financial statements in respect of Employees Benefits Schemes.

Details of Gratuity disclosure as required by Ind AS –19 are given hereunder:

Table1. Change in Defined Benefit Obligation during the period

(₹ in Lakhs)

Particulars	Gratuity		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Opening Defined Benefit Obligation	2,27,644	2,24,756	2,09,905
Current Service Cost	17,187	13,748	12,495
Past Service Cost	-	-	-
Interest Cost	14,518	15,786	14,904
Actual Plan Participants' Contributions	-	-	-
Acquisition/Business Combination/Divestiture	-	-	-
Benefits Paid	(33,520)	(38,702)	(37,638)
Past Service Cost	-	-	-
Curtailments/Settlements	-	-	-
Actuarial (Gains)/Losses	(539)	12,056	25,089
Closing Defined Benefit Obligation	2,25,289	2,27,644	2,24,756

Table 2. Net Defined Benefit Asset/ (Liability)

(₹ in Lakhs)

Particulars	Gratuity		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Defined Benefit Obligation	2,25,289	2,27,644	2,24,756
Fair Value of plan Assets	-	-	-
(Surplus)/Deficit	2,25,289	2,27,644	2,24,756
Effect of Asset Ceiling	-	-	-
Net Defined Benefit Liability/(Asset)	2,25,289	2,27,644	2,24,756

Table 3: Major Actuarial Assumptions

Description	31 March 2021	31 March 2020	01 April 2019
Discount rate	6.95%	6.78%	7.65%
Future Basic salary increase	3% (with 18% increase in every 5th year)	3% (with 18% increase in every 5th year)	3% (with 18% increases in every 5th year)
Withdrawal rate	Age based : Upto 50 years – 0.5% Thereafter – 2%	Age based : Upto 50 years – 0.5% Thereafter – 2%	Age based : Upto 50 years – 0.5% Thereafter – 2%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2006-08) ultimate
Retirement age	Class I, II, III -58 years Class IV- 60 years	Class I, II, III -58 years Class IV- 60 years	Class I, II, III -58 years Class IV- 60 years

Table 4: Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ in Lakhs)

Description of Discount Rate	Gratuity		
	31 March 2021	31 March 2020	01 April 2019
a. Discount rate – 100 basis points	2,50,367	2,46,840	2,43,900
b. Discount rate – 100 basis points impact (%)	11.13%	8.43%	8.52%
c. Discount rate + 100 basis points	2,04,185	2,10,996	2,08,482
d. Discount rate – 100 basis points impact (%)	(9.37%)	(7.31%)	(7.24%)
Salary increase rate			
e. Rate – 100 basis points	2,02,754	2,11,125	2,08,282
f. Rate – 100 basis points impact (%)	(10.00%)	(7.26%)	(7.33%)
g. Rate + 100 basis points	2,51,671	2,46,983	2,43,793
h. Rate + 100 basis points impact (%)	11.71%	8.50%	8.47%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant. When calculating the sensitivity to the assumptions, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Table5 : Expected future cash flows :

(₹ in Lakhs)

Period	Gratuity		
	31 March 2021	31 March 2020	01 April 2019
Year 1	1,98,832	27,009	36,789
Year 2	16,560	19,322	27,667
Year 3	14,886	15,953	20,230
Year 4	16,619	14,453	16,505
Year 5	16,688	15,884	14,753
Year 6 to 10	84,794	80,644	80,555
Average Expected Future Working life (Years)	18.42	18.18	18.12

Table 6: Investment in Planned Assets:

The Company has not made investments in planned assets. Hence, disclosure of investment of planned assets is not given.

(iii) Leave Encashment Benefit (Other Long-Term employee benefits) :

Leave encashment is payable to all employees as per the Company's Employees Service Regulations, 2005. The Earned Leave (EL) and Half Average Pay (HAP) Leave can be accumulated upto 300 and 360 days respectively.

Details of Leave Encashment disclosure as required by Ind AS –19 are detailed hereunder:

Table1. Change in Defined Benefit Obligation during the period

(₹ in Lakhs)

Particulars	Leave Encashment		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Opening Defined Benefit Obligation	2,35,976	2,06,246	2,13,958
Current Service Cost	19,261	15,625	16,770
Past Service Cost	-	-	-
Interest Cost	15,240	14,763	15,446
Actual Plan Participants' Contributions	-	-	-
Acquisition/Business Combination/Divestiture	-	-	-
Benefits Paid	(23,585)	(27,632)	(33,005)
Past Service Cost	-	-	-
Curtailments/Settlements	-	-	-
Actuarial (Gains)/Losses	3,965	26,974	(6,924)
Closing Defined Benefit Obligation	2,50,857	2,35,976	2,06,246

Table2. Net Defined Benefit Asset/ (Liability)

(₹ in Lakhs)

Particulars	Leave Encashment		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Defined Benefit Obligation	2,50,857	2,35,976	2,06,246
Fair Value of plan Assets	-	-	-
(Surplus)/Deficit	2,50,857	2,35,976	2,06,246
Effect of Asset Ceiling	-	-	-
Net Defined Benefit Liability/(Asset)	2,50,857	2,35,976	2,06,246

Table 3: Major Actuarial Assumptions

Description	31 March 2021	31 March 2020	01 April 2019
Discount rate	6.95%	6.78%	7.65%
Future Basic salary increase	3% (with 18% increases in every 5th year)	3% (with 18% increases in every 5th year)	3% (with 18% increases in every 5th year)
Withdrawal rate	Upto 50 years – 0.5% Thereafter – 2%	Upto 50 years – 0.5% Thereafter – 2%	Age based :Upto 50 years – 0.5% Thereafter – 2%
Mortality rate	IALM (2012-14) ultimate	IALM (2012-14) ultimate	IALM (2006-08) ultimate
Retirement age	Class I, II, III -58 years Class IV- 60 years	Class I, II, III -58 years Class IV- 60 years	Class I, II, III -58 years Class IV- 60 years

Table 4: Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ in Lakhs)

Description of Discount Rate	Leave Encashment		
	31 March 2021	31 March 2020	01 April 2019
a. Discount rate – 100 basis points	2,83,081	2,60,313	2,27,732
b. Discount rate – 100 basis points impact (%)	12.85%	10.31%	10.42%
c. Discount rate + 100 basis points	2,23,993	2,15,171	1,88,243
d. Discount rate – 100 basis points impact (%)	(10.71%)	(8.82%)	(8.73%)
Salary increase rate			
e. Rate – 100 basis points	2,24,527	2,14,905	1,88,013
f. Rate – 100 basis points impact (%)	(10.50%)	(8.93%)	(8.84%)
g. Rate + 100 basis points	2,81,837	2,60,186	2,27,620
h. Rate + 100 basis points impact (%)	12.35%	10.26%	10.36%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant. When calculating the sensitivity to the assumptions, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Table 5 : Expected future cash flows :

(₹ in Lakhs)

Period	Leave Encashment		
	31 March 2021	31 March 2020	01 April 2019
Year 1	16,911	22,406	26,545
Year 2	14,303	16,329	20,346
Year 3	13,063	13,810	15,123
Year 4	15,051	12,681	12,592
Year 5	15,295	14,459	11,453
Year 6 to 10	83,898	77,977	67,590
Average Expected Future Working life (Years)	18.42	18.18	18.13

Table 6: Investment in Planned Assets :

The Company has not made investments in planned assets. Hence, disclosure of investment of planned assets is not given.

(iv) Pension to Ex-Employees:

Employees working inother State Electricity Boards were absorbed in erstwhile MSEB during 1960's. Before absorption the employees were entitled for pension and the same is continued in erstwhile MSEB and thereafter in MSEDCL as well. All the employees are retired from the services of MSEDCL. The actuarial valuation of pension to such employees is done for the first time in FY 2019-20. As on 31st March, 2021 there are 24 (PY 25) ex-employees whose actuarial valuation is done as under:

(₹ in Lakhs)

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Defined Benefit Cost: P&L (Income)/Loss	29	414
Other Comprehensive (Income)/Loss	(4)	57
Defined Benefit Obligation	386	414
Fair Value of Plan Assets	-	-
Unrecognised Actuarial (Gains)/Losses	-	-
Effect of Asset Ceiling	-	-
Net Liability (Asset) at the end of the year	386	414
Discount Rate at Year – end	6.95%	7.50%

Current/ Non-Current Liability is as under:

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Current Liability	51	60
Non-Current Liability	335	354
Non-Current Asset	-	-
Total	386	414

B) Defined Contribution Plan:

(i) Provision from Staff Welfare expenses:

This provision is made as per the requirement of regulation 104(a) of MSEB/MSEDCL Employees Service Regulation. Hence, the Board under its Resolution No. 8575 dated 23rd April, 1973 has accorded its approval to the setting up of Staff Welfare Fund and its administration in terms of the Staff Welfare Fund Regulations and Procedure.

The income sources for this provision are as follows:

a. ₹10 per month is recovered from the salary of each employee,

b. Recovery of Notice Pay from employees,

c. Recovery of Fines from employees,

d. Amount equal to interest @ 18% p.a. on the balance in deposit amount is credited to this account as contribution from MSEDCL (charged under the head Staff Welfare)

The expenditure incurred from this is as follows:

a. Scholarship to the children of employees,

b. Medical aid to the employee and their families,

c. First girl Child welfare, etc.

MSEDCL has credited to the provision and booked as an expense the interest of ₹2,400 Lakhs (PY ₹1,973 Lakhs). Unspent amount as on 31.03.2021 is ₹15,366 Lakhs (PY ₹ 12,758 Lakhs).

(ii) Monthly Monetary Benefit Scheme (MMBS):

This scheme is set up with a view to pay Monthly Monetary Benefit in lieu of employment to the dependents of employees, i.e., employees who have died while in the service of the Board or employees who have retired prematurely on medical grounds before attaining the age of 50 years.

In pursuance of the approval of the Government of Maharashtra, The MSEB Employees' Dependents Welfare Trust Regulations has been approved w.e.f. 01st Nov, 1998.

For this purpose ₹ 30 per month per employee as employee contribution and ₹ 40 per month per employee as a company contribution is credited to MMBS account and paid to the MSEB Employees Dependent Welfare Trust.

MSEDCL's contribution to MMBS is booked as an expense of ₹261 Lakhs (PY ₹ 273Lakhs).

11. Taxation(Refer Note 26 & Profit & Loss Account):

(I) Current Tax –

The tax liability as per the Income Tax Act, 1961, is as shown below:

Income tax expense

(i) Income tax recognised in statement of profit and loss

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	*As at 31.03.2020	As at 01.04.2019
A	**Current tax expense**			
	Current year	-	13,180	-
	Adjustment for earlier years	(11,074)	-	21,508
	Total current tax expense	**(11,074)**	**13,180**	**21,508**
B	**Deferred tax expense**	**-**	**-**	**-**
C	**Total tax expense (A+B)**	**(11,074)**	**13,180**	**21,508**

(ii) Income tax recognised in other comprehensive income

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	*As at 31.03.2020	As at 01.04.2019
A	**Current tax expense**			
B	Net actuarial (gains)/ losses on defined benefit plans	-	(2,106)	-
C	Deferred tax expense	-	-	-
	Total tax expense (A+B)	**-**	**(2,106)**	**-**

(iii) Reconciliation of tax expense and the accounting profit multiplied by applicable rate

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	*As at 31.03.2020	As at 01.04.2019
A	**Profit before tax including movement in regulatory deferral account balances**	(1,43,234)	43,902	1,31,170
B	**Tax at the applicable tax rate of 25.17% (PY 17.47%)**	(36,052)	7,670	28,266
C	**Tax effect of:**			
	Non-deductible tax expenses	1,06,268	447	-
	Provisions for doubtful debts and advances	1,06,399	56,852	47,631
	Provisions for non-moving items	625	-	331
	Adjustment	(1,86,954)	5,548	6,848
	Re measurement of defined benefit plans	-	(2,106)	(5,406)
	Bad debts written off	(11,705)	(57,337)	(86,612)
	Lower of the book loss/unabsorbed depreciation	21,139	-	-
D	**Current Year tax liability**	-	11,074	-
	Earlier Year tax liability	-	-	21,508
E	**Tax expense recognised in the statement of profit and loss***	-	13,180	-
F	**Tax expense recognised in the Other Comprehensive Income**	-	(2,106)	-

*The Government of India has introduced the Taxation Laws (Amendment) Ordinance, 2019 on 20th September, 2019. A new section 115BAA has been introduced by the Taxation Laws (Amendment) Act, 2019 to give the benefit of reduced tax rate for the domestic companies. A domestic company can opt for a lower rate of tax of 22% plus uniform surcharge @ 10% and education cess @ 4% for FY 2019-20 onwards. Such companies cannot avail any exemptions/incentives under different provisions of the Income Tax Act, 1961.

The provision for income tax of ₹ 11,074 lakhs for FY 2019-20 (AY 2020-21) was made in FY 2019-20 without considering the option of section 115BAA. While filling income tax return of AY 2020-21, MSEDCL has availed the option of taxation of domestic companies at lower rate U/s 115BAA of the Income Tax Act, 1961 from AY2020-21, i.e., from FY 2019-20. As there was no taxable income, income tax payable was nil. Hence the provision of ₹11,074 lakhs has been reversed during the current year.

(II) Deferred Tax -

Deferred Tax consists of the following items:

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
1.	Difference in WDV as per books and Income	3,46,384	4,56,384	3,69,348
2.	Regulatory Asset	73,224	2,95,124	2,80,293
3.	**Deferred Tax Liability(1+2)**	**4,19,608**	**7,51,508**	**6,49,641**
4.	Expenses Allowable on payment basis	1,19,879	1,61,989	1,58,993
5.	Unabsorbed Depreciation/Loss	7,57,606	8,73,829	1,81,224
6.	Provision for Doubtful Debts	2,76,505	2,52,389	2,26,246
7.	MAT credit entitlement	-	32,582	21,508
8.	**Deferred Tax Asset(4 to 7)**	**11,53,990**	**13,20,789**	**9,34,997**
9.	**Net Deferred Tax Asset / (Liability)(8-3)**	**7,34,382**	**5,69,281**	**2,85,356**

In view of the uncertainty regarding generation of sufficient future taxable income, deferred tax assets have not been recognised.

12. Impairment of Assets:

In accordance with Ind AS 36 on 'Impairment of Assets' the Management of MSEDCL has carried out a review of its assets with respect to economic performance. On the basis of the review, the Management is of the opinion that economic performance of the assets of the Company is reasonable and therefore there is no impairment as on the date of the Balance Sheet.

13. Micro, Small and Medium Enterprises information:

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 yearend together with the interest paid/payable as required by MSMED Act, 2006 is not disclosed. However, due care has been taken to release the payment within due date.

14. Foreign Currency Contracts:

The Company has not given any contracts to out of India entities and therefore nothing is done or receivable on account of foreign currency contracts.

15. Segment Reporting (Ind AS 108):

Board of Directors are collectively acting as the Company's "Chief Operating Decision maker" (CODM) within the meaning of Ind AS 108. The CODM evaluates MSEDCL's performance and allocates resources based on an analysis of various performance indicators. There is only one primary segment i.e. sale of power. Therefore, further disclosure as per IND AS 108 regarding Operating Segments is not required. The Company, however, discloses its operations under more than one segments as required by MERC while submitting its Annual Revenue Requirement for the purpose of Truing Up.

16. Earnings per Share (Refer Note 15 and Profit and Loss Account):

EPS is calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Profit Attributable to Equity Holders

A) Earnings per share (including regulatory income):

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Net Profit/ (net loss) after Tax (₹ in Lakhs)	(1,32,160)	68,454
Weighted average No. of equity shares for basic Earnings per shares	47,72,39,84,904	47,71,79,75,863
Earnings per share ₹ Basic	(0.28)	0.14
Weighted average No of equity shares for diluted Earnings per share	47,72,39,84,904	47,72,21,82,192
Diluted Earnings Per Share ₹	(0.28)	0.14

B) Earnings per share (excluding regulatory income):

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Net Profit/ (net loss) after Tax (₹ in Lakhs)	(4,23,078)	(6,32,620)
Diluted earnings per equity share-Weighted average no of equity shares outstanding	47,72,39,84,904	47,72,21,82,192
Earnings per share ₹ Basic	(0.89)	(1.33)
Diluted Earnings Per Share ₹	(0.89)	(1.33)

C) Reconciliation of Number of shares:

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Basic earnings per equity share-Weighted average no of equity shares outstanding	47,72,39,84,904	47,71,79,75,863
Effect of dilutive common equivalent shares-Share application money pending allotment	-	42,06,329
Diluted earnings per equity share-Weighted average no of equity shares outstanding	47,72,39,84,904	47,72,21,82,192

17. Technical Parameters and Subsidy related information:

Sr. No.	Particulars	UNIT	FY 2020-21	FY 2019-20	FY 2018-19
A	Gross Energy Generated	MU	NA	NA	NA
B	Less: Auxiliary Consumption	MU	NA	NA	NA
C	Energy Purchased (Gross)	MU	1,32,485	1,32,020	1,36,253
D	Input Open Access	MU	4,700	4,543	5,322
E	Total Input Energy (A-B+C+D)	MU	1,37,185	1,36,563	1,41,575
F	Less: Energy Traded/ Inter-state sales (Net)	MU	285	841	1,134
G	Less: Transmission Loss	MU	7,621	7,449	7,905
	Transmission Losses (%) (G/E)		5.56	5.45	5.58
H	Net Input Energy (E-F-G)	MU	1,29,279	1,28,273	1,32,536
I	Energy sold	MU	1,05,199	1,07,866	1,09,605
J	Open Access Sale	MU	4,314	4,156	4,822
K	Total Energy Sold (I+J)	MU	1,09,513	1,12,022	1,14,427
	Distribution Loss	MU	19,766	20,407	18,109
	Distribution Loss (%)(Dist loss/net input energy)		15.29	15.91	13.66
L	Revenue from energy traded/inter-state sales (with respect to units of F above)	₹ Lakhs	11,782	32,959	39,732
M	Subsidy Booked/ Built in the Revenue	₹ Lakhs	9,48,387	*8,00,781	10,34,557
N	Subsidy received	₹ Lakhs	8,18,490	*5,69,962	11,66,207

*Refer to Note 36(8)

18. Incentive Earned on REC repayment loan (Refer Note 33):

Ministry of Power (MOP), Government of India has introduced the concept of National Electricity Fund (NEF) Interest Subsidy scheme to provide interest on loans disbursed to State Power Distribution Utilities, in order to improve the infrastructure in Distribution Sector. The projects sanctioned by Rural Electrification Corporation (REC) during the FY 2012-13 and FY 2013-14 are eligible for NEF schemes.

Based on the parameters mentioned in the scheme, MSEDCL has submitted the relevant details for the claim of interest subsidy for the FY 2016-17 towards the interest paid by MSEDCL amounting to ₹36,024 Lakhs. REC vide letter dated 17.03.2020 informed that NEF Steering Committee has approved interest subsidy of 3% i.e. ₹9,496 Lakhs under NEF for FY 2016-17 (PY ₹6,452 Lakhs for FY 2015-16) based on the evaluation carried out by the Independent Evaluator in accordance with NEF Guidelines. REC has adjusted interest subsidy amount of ₹2,951 Lakhs (PY₹4064 lakhs)against the Principal and Interest demand due on 30.07.2020. MSEDCL has reduced the interest cost to that extent so that the benefits can be passed on to consumers.

19. Auditors' Remuneration(Refer Note 32):

(₹ in Lakhs)

Sr. No	Particulars	FY 2020-21	FY 2019-20	FY 2018-19
1.	Statutory Audit	96	96	81
2.	Reimbursement of Expenses	-	6	7
3.	GST on Audit Fees	17	17	15

20. Government Grants and Consumers Contributions(Refer Note 20, 25& 28):

Government Grants, Subsidies and Consumer contributions have been received for the cost of distribution network. The same have been accounted for as government grant/consumer contribution and amortised over the useful life of such assets. There are no other unfulfilled conditions or contingencies attached to these receipts.

(₹ in Lakhs)

Particulars	Grant			Consumer Contribution		
	31st March 2021	31st March 2020	1st April 2019	31st March 2021	31st March 2020	1st April 2019
As at 1st April	7,59,671	6,07,558	4,19,092	*2,77,778	*3,01,208	2,98,182
Less: Adjustments	-	-		-	**9,519	
Add: Received during the year	91,767	1,94,795	2,37,488	30,205	42,794	36,593
Less: Amortised to the statement of profit and loss	64,501	42,682	49,023	34,138	56,706	33,567
As at 31st March	**786,937**	**7,59,671**	**6,07,558**	**2,73,845**	***2,77,778**	***3,01,208**
Current	62,602	59,083	49,023	32,222	35,659	33,567
Non-current	724,335	7,00,588	5,58,535	2,41,623	2,42,119	2,67,641

* i) It includes Contribution from GoM through REC for RGGVY (Refer Note 18)
**ii) Reclassification of SLC/ORC to other financial liabilities – current [Refer Note 36(31)(4)] [Refer Note 36(30)(C)]

21. Related Party :

As per the definition of 'Related Party' under Ind AS 24, following are the list of related parties:

a) **Ultimate Controller :**

Government of Maharashtra

b) **Holding Company:**

MSEB Holding Company Ltd (MSEBHCL)

c) **Fellow Subsidiaries:**

- Maharashtra State Power Generation Company Limited (MSPGCL)

- Maharashtra State Electricity Transmission Company Limited (MSETCL)
- Maharashtra Power Development Corporation Limited (MPDCL)

MSEDCL, MSPGCL, MSETCL and MPDCL are State Govt Companies and are subsidiaries of MSEB Holding Company Limited and thus fellow subsidiaries of MSEDCL.

d) **Subsidiaries:**

- Aurangabad Power Company Limited (APCL)

e) **Subsidiary of Fellow Subsidiaries**

- Dhopave Coastal Power Limited (DCPL)

f) **Key Management Persons (KMP):**

- Shri. Vijay Singhal, Chairman and Managing Director, MSEDCL (w.e.f. 01.02.2021)
- Shri. Aseemkumar Gupta, Chairman and Managing Director, MSEDCL (w.e.f. 18.01.2020 to 31.01.2021)
- Shri. Sanjeev Kumar, Chairman and Managing Director, MSEDCL (w.e.f. 21.12.2015 to 17.01.2020)
- Shri. Ravindra Sawant, Director (Finance), MSEDCL (w.e.f. 01.07.2020)
- Shri. Jaikumar Srinivasan, Director (Finance), MSEDCL (w.e.f. 02.02.2018 to 03.02.2020)
- Shri. Sanjay Taksande, Director (Operations) (w.e.f. 19.03.2021)
- Shri Dinesh R. Saboo, Director (Operation) (w.e.f 01.11.2018 to 06.10.2020)
- Shri Bhalchandra Khandait, Director (Project) (w.e.f 15.01.2019)
- Shri. Satish Chavan, Director (Commercial) (w.e.f. 22.01.2018 to 21.01.2021)
- Shri. Pavan Kumar Ganjoo, Director (HR) (w.e.f. 10.04.2019 to 14.12.2020)
- Mrs Anjali Gudekar Company Secretary, MSEDCL.

g) **Independent Directors :**

- Shri. Vishwas Pathak, Independent Director(from 14.08.2015 to 08.01.2020)
- Shri. Ashok Harane, Independent Director (from 02.01.2009 to 03.06.2019)
- Mrs.Juelee Wagh, Independent Director (from 04.06.2014 to 21.06.2020)
- Shri. Anil Palamwar, Independent Director (from 03.08.2019 to 25.06.2020)

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.

h) **Summary of significant transactions along with outstanding balances with related parties:**

Summary of significant transactions along with outstanding balances with related parties:

(₹ in Lakhs)

Sr. No.	Name of Party	Nature of Transaction	Transactions during the year	
			FY 2020-21	FY 2019-20
1	**Transactions with key Management Personnel of MSEDCL**			
	Shri Vijay Singhal (IAS)	Remuneration	2.83	-
	Shri Vijay Singhal (IAS)	Medical Reimbursment	0.38	-
	Shri Sanjeev Kumar	Remuneration	-	25.00
	Shri Ravindra Sawant	Remuneration	22.98	-
	Shri jaikumar Shrinivasan	Remuneration	-	37.00
	Shri Abhijit jayant Deshpande	Remuneration	-	-
	Shri Dineshchandra Rambilas Saboo	Remuneration	42.63	47.00
	Shri Sanjay Taksande	Remuneration	1.12	-
	Shri Satish Vithalrao Chavan	Remuneration	41.53	31.00
	Shri Bhalchandra Khandait	Remuneration	38.39	35.00
	Shri Bhalchandra Khandait	Perquisits	5.74	-
	Shri Bhalchandra Khandait	Retirement benefit	79.74	-
	Shri Pavan Kumar Ganjoo	Remuneration	27.74	-
	Mrs.Anjali Gudekar	Remuneration	31.00	27.00
	Sub Total (a)		**294.07**	**202.00**
	Shri Vishwas Pathak	Sittting Pees	-	0.85
	Shri Ashok Harane	Sittting Fees	-	0.10
	Mrs.juelee Wagh	Sittting Fees	-	0.50
	Shri Anil Palamwar	Sittting Fees	-	0.50
	Sub Total (b)		**-**	**2.45**
	Total (a+b)		**294.07**	**204.45**
2	**Transactions with Holding Company**			
	MSEBHCL	Other Financial Liabilities - Current	1,436	1,847
3	**Transactions with Fellow Subsidiaries:**			
	MSPGCL	Purchase of Power	2,39,484	2,50,256
	MSETCL	Transmission Charges	56,053	13,740
	MSPGCL	Loans-Current	-	7
	MSETCL	Loans-Current (Unsecured, Considered good)	(7)	(1,565)
4	**Transactions with Subsidiaries:**			
	APCL	Loan given	1	1
5	**Transactions with Subsidiaries of Fellow Subsidiaries:**			
	MSPGCL	Amount recognized in P & Las allowance for Expected Credit Loss	2,521	1,157
	MSETCL	Amount recognized in P & Las allowance for Expected Credit Loss	-	(1,572)

Note: Remunarration disclosed above excludes the impact of pay revision, which has been decided subsequent to the balance sheet date w.e.f, 01.04.2018

Sr. No.	Name of Party	Receivable / Payable	Closing Balance		Outstanding as on
			Outstanding as on	Outstanding as on	
			31.03.2021	31.03.2020	01.04.2019
	Balances with Holding Company				
1	MSEBHCL	Other Financial Liabilities - Current	4,11,248	4,09,811	4,07,965
	Balances with Subsidiaries:				
2	APCL	Loans- Non Current (Unsecured, Considered good)	146	145	144
	APCL	Provision for bad and doubtful Other Receivable	146	145	144
	Balances with Fellow Subsidiaries:		-		
3	MSPGCL	Trade Payble - Purchase of Power	15,74,078	13,34,594	10,84,338
	MSETCL	Trade Payble - Transmission Charges	3,32,613	2,76,560	2,62,820
	MSPGCL	Loans-Current	47,016	47,016	47,008
	MSETCL	Loans-Current		7	1,572
	MSPGCL	Allowance for Expected Credit Loss	15,887	13,366	12,209
	MSETCL	Provision for bad and doubtful Other Receivable	-	-	1,572
	Balances with Subsidiaries of Fellow Subsidiaries:				
4	DCPL	Loans-Non Current (Unsecured, Considered doubtful)	207	207	207
	MPDCL	Loans-Non Current (Unsecured, Considered doubtful)	247	247	247
	DCPL	Provision for bad and doubtful Other Receivable	207	207	207
	MPDCL	Provision for bad and doubtful Other Receivable	247	247	247

i) Difference between balances of the MSEDCL and Related Parties (Refer Note 12, 22 & 23) :

There is a difference in outstanding balances as on 31.03.2021, as appearing in the books of accounts of the Company and the related parties details of which are as under.

(₹ in Lakhs)

Name of Company	Maharashtra State Power Generation Co Ltd. (MSPGCL)			Maharashtra State Electricity Transmission Co Ltd. (MSETCL)			Maharashtra State Electricity Board Holding Co Ltd. (MSEBHCL)		
Nature Of transaction	Loans and Advances			Loans and Advances			Other Current Liabilities		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Balance as per MSEDCL	47,016	47,016	47,008	-	7	1,572	4,11,248	4,09,811	4,07,965
Balance as per other Group Company	54,687	54,422	47,008	-	-	-	3,90,542	3,89,106	3,87,264
Difference	(7,671)	(7,406)	-	-	7	1,572	20,705	20,705	20,701

(₹ in Lakhs)

Name of Company	Maharashtra State Power Generation Co Ltd. (MSPGCL)			Maharashtra State Electricity Transmission Co Ltd. (MSETCL)		
Nature Of transaction	Trade Payable			Trade Payable		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Balance as per MSEDCL	15,74,073	13,34,586	10,81,758	3,32,621	2,76,560	NA
Balance as per other Group Company	24,26,502	17,60,801	13,29,535	4,64,401	2,91,267	NA
Difference	(8,52,429)	(4,26,215)	(2,47,777)	(1,31,780)	(14,707)	NA

j) Amount Payable to/Receivable from Government of Maharashtra :

(₹ in Lakhs)

Sr. No.	Particulars	At at 31.03.2021	At at 31.03.2020	At at 01.04.2019
1	Inspection Fees Payable(Refer Note 23)	498	498	498
2	Electricity Duty Payable(Refer Note 23)	5,70,287	5,90,053	93,795
3	Tax on Sale – Payable(Refer Note 23)	13,959	16,199	18,886
4	Subsidy Receivable (36(8)) (Refer Note 10)	4,39,320	3,09,423	78,604
5.	Grant Receivable(Refer Note 13)	17,741	14,509	97,561
6.	Equity Share Capital(Refer Note 15)	47,72,398	47,72,398	47,61,432
7.	RGGVY Loan(Refer Note 6)	6,907	6,686	6,407

All transactions with the related parties have been done at arm's length.

22. Refund of Service Line Charges (SLC), Out Right Contribution (ORC) and Meter Cost (Refer Note 23):

MSEDCL had recovered the service line charges, Out Right Contribution (ORC) & Meter Cost from consumers while releasing new connections. MERC passed an order dated 08.09.2006 and directed MSEDCL that the cost towards infrastructure from delivery point of transmission system to distributing mains should be borne by MSEDCL.

After receipt of verdict from Hon'ble Supreme Court of India on 10th Nov 2016, MERC vide letter dated 20th July 2017 has further directed to comply with the Commission's Order to refund the collected amount to the consumers. Therefore after verification the eligible amount along with interest @ 6% is being refunded to respective consumers as per MERC's order. The SLC and ORC refundable to consumers is ₹14,255 Lakhs (PY ₹14,297 Lakhs).

23. Ujjwal Discom Assurance Yojana (UDAY) (Refer Note 20, 25& 28):

The Scheme UDAY was launched by the Government of India on 20th November, 2015 to ensure a permanent and sustainable solution to the debt ridden Distribution utilities to achieve financial stability and growth.

As per the Tripartite MOU, signed by Ministry of Power, Govt. of India, Govt. of Maharashtra (GoM) and MSEDCL on 07/10/2016, Government of Maharashtra shall take over Medium Term and Short Term debt of ₹ 4,95,975 Lakhs (Being 75% of ₹ 6,61,300 Lakhs, the debt of MSEDCL as on 30th September 2015. The debt is taken over by GOM and shall be transferred to MSEDCL as Grant/loan as shown in the following table:

(₹ in Lakhs)

Year	Total Debt taken over	Transfer to MSEDCL in the form of Loan	Transfer to MSEDCL in the form of Grants	Date of Government Resolution (GR)	Outstanding State loan of MSEDCL
16-17	20% of debt taken Over	4,95,975	99,175	31/03/2017	3,96,800
17-18	20% of debt taken Over		99,200	13/02/2018	2,97,600
18-19	20% of debt taken Over		99,200	13/02/2019	1,98,400
19-20	20% of debt taken Over		99,200	31/03/2020	99,200
20-21	20% of debt taken Over		99,200	31/03/2021	Nil
	Total		**4,95,975**		

The grant received from GoM under UDAY scheme is treated as Revenue Grant for accounting purpose and interest on outstanding loan is paid to GoM and booked accordingly.

MSEDCL is paying interest on the outstanding loan of GoM at the rate at which GoM issued non SLR Bonds.

GoM issued Bonds through RBI and transferred ₹4,95,975 Lakhs (₹ 2,95,975 Lakhs @7.38 % p.a. and ₹ 2,00,000 Lakhs @7.33 % p.a.) to MSEDCL on 13/02/2017.

As per MOU, Government of Maharashtra shall take over the future losses of the MSEDCLs in a graded manner as follows:

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Previous Year's DISCOM loss to be taken over by State	0% of the loss of 2014-15	0% of the loss of 2015-16	5% of the loss of 2016-17	10% of the loss of 2017-18	25% of the loss of 2018-19	50% of the loss of FY 2019-20

24. <u>DDUGJY, IPDS & Smart Grid (Refer Note 11):</u>

Government of India has launched “Deendayal Upadhyaya Gram Jyoti Yojna” (DDUGJY) and “Integrated Power Development Scheme” (IPDS) for strengthening of network in rural and urban area respectively.

MSEDCL participated in DDUGJY and IPDS projects under these Schemes which are implemented on Turnkey basis. The amount received under these schemes is deposited in separate bank accounts and as per the directives of Ministry of Power (MoP), the interest earned on utilized subsidy component is to be remitted to Govt. of India’s account on regular basis.

The details of Grant received utilised, balance to be utilized as on 31.03.2021 are as under:

(₹ in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	TOTAL
Opening Balance	11,669	20,217	31,886
Grant Received	15,787	11,004	26,791
Interest Received	140	355	495
Grant Utilized	24,803	29,316	54,119
Interest Paid to MoP	140	355	495
Remitted to MoP	-	-	-
Balance to be Utilized	2,653	1,905	4,558

The details of Grant received utilised, balance to be utilized and fixed deposit amount as on 31.03.2020 are as under:

(₹ in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	*Smart Grid	TOTAL
Opening Balance	18,934	530	270	19,734
Grant Received	21,980	70,215	-	92,195
Interest Received	53	922	-	975
Grant Utilized	28,973	50,485	-	79,458
Interest Paid to MoP	324	965	-	1,289
Balance to be Utilized	-	-	270	270
**FD Amount (Canara Bank)	11,669	20,217	-	31,886

*Since Smart Grid is not being implemented, the FD is withdrawn and remitted to MoP

**PFC vide letter dated 24.09.2019 requested to operate Saving bank account (without Corporate Liquid Term Deposit (CLTD) facility) under Central Sector (CS) Schemes instead of CLTD Account linked with Fixed Deposits (FD).

The details of Grant received utilised, balance to be utilized and fixed deposit amount as on 01.04.2019 are as under:

(₹ in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	Smart Grid	TOTAL
Opening Balance	19,318	13,554	279	33,151
Grant Received	60,756	6,868	-	67,624
Interest Received	522	106	15	643
Grant Utilized	61,211	19,753	-	80,964
Interest Paid to MoP	451	245	24	720
Balance to be Utilized	18,934	530	270	19,734
FD Amount (Canara Bank)	18,934	530	270	19,734

25. Conversion of Loan into Grant under RAPDRP Scheme (Part 'A' and Part 'B')(Refer Note 17 & 21):

Ministry of Power, Government of India, had launched the Restructured Accelerated Power Development and Reforms Programme (RAPDRP) in July 2008 with focus on establishment of base line data, fixation of accountability, reduction of Aggregate Technical & Commercial losses (AT & C losses) upto15% level. Projects under the scheme were taken up in two parts.

RAPDRP Part A

RAPDRP Part A is implemented in 128 towns where the Company undertakes distribution, with population of more than 30,000 as per Census 2001 and RAPDRP Part A SCADA (Supervisory Control And Data Acquisition)is implemented in 8 towns where population is more than 4 Lakhs as per Census 2001 and Annual Energy input greater than 350 Million Units.

Initially 100% funds for the approved projects are provided through loan from the Government of India on the terms decided by Ministry of Finance. The loan is to be converted into grant on completion of project duly verified by an independent agency.

RAPDRP Part B

RAPDRP Part B is implemented in 123 towns (120 Part B and 3 towns SCADA enabling component) of MSEDCL with Population more than 30,000 as per Census 2001 and AT&C loss greater than 15 %.

50% of the loan amount of Part B projects is to be converted into grant on reduction of Aggregate Technical and Commercial (AT&C) losses of each town below 15 % and as per stipulated conditions.

(₹ in Lakhs)

Particulars	RAPDRP Part B
Sanctioned Amount	3,11,164
Final Project Cost	2,24,569
Eligible amount for conversion into grant	i.e. 50 % of the Project Cost in proportion to the reduction in the AT&C losses

The Status of Sanctioned Loan Amount and Disbursed is as under(Refer Note 17) :

(₹ in Lakhs)

Particulars	Sanctioned Loan Amount	Disbursed Amount	Undrawn Amount	Total Repayment	Total Loan Outstanding
R-APDRP(A)	26,009	22,618	3,391	*13,480	9,138
R-APDRP SCADA (A)	11,657	7,384	4,273	*9,206	**(1,823)
R-APDRP (B)	76,931	55,606	21,325	9,519	46,087
R-APDRP SCADA (B)	867	592	275	66	526
TOTAL	**1,15,464**	**86,200**	**29,264**	**32,271**	**53,928**

*Includes repayment of principal and interest amount paid in moratorium period.
** Interest paid in moratorium period is adjusted against principal loan amount.

Final RAPDRP Closure amounting to ₹ 22,618 Lakhs has been approved by PFC/MOP. The conversion of Loan amount into grant is recommended in 13th Monitoring Committee Meeting Dt. 18.10.2018. In this context, PFC has not been sending the Demand against R-APDRP (Part-A) Loans to MSEDCL and as such presently no repayment is made since Sept 2017. Further, no interest on this loan has been accounted since Sept 2017 and the interest amount already paid till that date is adjusted against the loan repayment. The necessary adjustment and consequential impact will be taken in the financial year in which conversion of loan into grant is approved. The eligible amount of ₹ 22,618 Lakhs under R-APDRP Part A is expected to be converted into grant after acceptance of the reports submitted to Third Party independent Agency appointed by PFC.

26. Recovery towards Infra Charges (Refer Note 23):

Nagpur Municipal Corporation (NMC) had undertaken a scheme for development of road under its jurisdiction. However, for such development the electric poles were to be shifted at many places. Hence, after due deliberation and as per HC order MSEDCL agreed to bear 50% expenditure required for such shifting of poles on Integrated Road Development Project (IRDP) road only. Total expenditure as per estimates of NMC was ₹ 9,145 Lakhs and MSEDCL was to spend ₹ 4,500 Lakhs.

MSEDCL had submitted the proposal to Hon'ble MERC for recovery of such additional charges from consumers, as the work was to be done for consumers only. MERC vide order dt.16.08.2012 has decided to allow MSEDCL to collect an additional charge of 9 paise per unit of consumption from the consumers in the O & M Divisions of MSEDCL at Mahal, Gandhibaug ,Congress Nagar & Civil Lines under Nagpur Urban Circle. As per Commission's analysis, MSEDCL shall be able to recover the entire cost of ₹ 4,500 Lakhs within the next three years based on the per unit charge of 9 paise per unit of consumption.

Accordingly, MSEDCL has recovered ₹ 4,765 Lakhs from consumers during the period Sep.12 to Jan.16. The Shifting works are covered under 39 estimates amounting to ₹ 9,145 Lakhs. NMC has placed work orders for 19 works amounting to ₹ 4,098 Lakhs and MSEDCL has paid ₹ 2,205 Lakhs towards its 50% share of 19 on going works under phase- I. NMC has been requested through various communications to complete the balance work.

Further, MSEDCL has recovered additional 6 paise per unit from Feb 2019 from NMC area consumers towards expenditure that would be incurred for executing the work of shifting of electric polls, conversion of LT/ HT distribution network into underground by NMC and MSEDCL under phase- II. MSEDCL has remitted ₹ 2200 lakhs to NMC from the amount so recovered from consumers.

MSEDCL has requested NMC to submit the progress of work and inform final amount to be deposited by MSEDCL and the reply is awaited.

27. Contribution to Contingency Reserve(Refer Note 25 & 35):

As per MYT Regulation No 35.1, MSEDCL is required to make contribution to the Contingency Reserve, a sum not less than 0.25 per cent of the original cost of gross fixed assets annually as approved by MERC. Such contribution is also required to be invested in securities permitted under the Indian Trusts Act, 1882 within a period of six months of the close of the year.

MSEDCL has created Contingency Reserve amounting to ₹1,25,732Lakhs (including ₹15,756Lakhs during the current year). Out of this ₹57,700 Lakhs (FY 2019-20 ₹ 57,700 Lakhs FY 2018-19 ₹ 57,700 Lakhs) is included under Other Equity and ₹68,032 Lakhs (FY 2019-20 ₹ 52,276 Lakhs FY 2018-19 ₹ 38,000 Lakhs) is included under Other Current Liabilities. MSEDCL has invested ₹31,340 Lakhs up to March 2021 (FY 2019-20 ₹ 31,370 Lakhs FY 2018-19 ₹ 18,573 Lakhs) in the permitted securities.

28. Refund of Regulatory Liability Charges(Refer Note 35):

In F.Y. 2003-04 to 2006-07 Regulatory Liability charges were collected from the consumers. MERC had passed an order to refund an amount of ₹ 3,22,700 Lakhs to the consumers. The Company has refunded ₹3,12,273Lakhs upto 31.03.2021 (PY ₹3,12,394Lakhs). No provision has been made for the balance amount.

29. Capital Management(Refer Note 15 & 17):

The Company's objective of capital management is to safeguard its ability to continue as a going concern and to maintain an appropriate capital structure. The company endeavours to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and availing loans at reasonable rates from financial institutions.

For the purpose of the company's capital management, equity capital includes issued equity capital and all other reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders.

The company monitors capital using gearing ratio, which is the ratio of long term debt to total net worth. The company includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The Capital Gearing Ratio is as under;

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
(a) Debt	35,08,193	33,11,466	28,63,401
(b) Total Equity	22,97,945	24,29,561	23,60,147
Gearing Ratio (a/b)	1.53	1.36	1.21

30. Disclosure as per Ind AS 115, "Revenue from contracts with customers" (Refer Note 27):

Ind AS 115 applies with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The major revenue of the Company comes from energy sales. The Company sells electricity to customers. The Company recognizes revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. Revenue from sale of energy is accounted for based on tariff rates approved by the MERC. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary. Beneficiaries are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligation cannot be determined reliably for the entire duration of the contract.

Disaggregation of revenue

(₹ in Lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Sale of Energy transferred over time	73,04,161	73,14,296

Reconciliation of revenue recognized with contract price:

(₹ in Lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Revenue from Contract with consumers	73,68,775	73,48,021
Adjustments for:		
Prompt Payment	30,933	33,725
incremental Discount (w.e.f. 01.04.2020)	33,680	-
Revenue recognized	73,04,161	73,14,296

Contract balance (Refer Note 10 & 13)

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are transferred to unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers who are referred as "advance from customers".

The following table provides information about trade receivables and unbilled revenue :

(₹ in Lakhs)

Particulars	As at 31st Mar 2021		As at 31st Mar 2020		As at 1st Apr 2019	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Trade receivables	48,97,472	-	39,45,989	-	30,06,095	-
Unbilled revenue	1,27,199	-	1,18,370	-	2,19,613	-

Practical expedients applied as per Ind AS 115:

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

31. <u>Accounting For Lease (Ind AS 116 Lease) :</u>

(i) Ascertainment of Lease in the Power Purchase Arrangement:

MSEDCL has entered into the power purchase agreements with MSPGCL and other generators. The significant output of power generated from MSPGCL and other generators is purchased by MSEDCL. Hence MSEDCL has tested the said power purchase arrangements so as to determine whether the arrangement contains an element of lease. It is identified that the arrangement conveys that MSEDCL has "right" to use of the assets of MSPGCL and other generators. However, MSEDCL has no obligation over the losses arising out of non-availability of power plant for power generation due to non-maintenance and the costs are borne by them. Accordingly, there is no transfer of risks & rewards to the Company from MSPGCL and other generators to this extent. Consequently, the arrangement does not satisfy the criteria of financial lease.

(ii) Leases Arrangements in Other Assets(Refer Note 23 & 18)

Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities as stated in the Note 3B, 18 and 23. The Company has not recognised right-of-use assets and lease liabilities for leases amounting to ₹. 0.37 lakhs (PY ₹. 11 Lakhs), where rent is less than ₹. 10 lakh per month, recognised as an expense.

The following is the carrying amounts of Company's Right of use assets and the movement in lease liabilities during the year ended 31st March, 2021:

(₹ in Lakhs)

Particulars	Amount for FY 2020-21	Amount for FY 2019-20
Right of use assets (Property, Plant and Equipment)	11,569	
Additions on account of adoption of Ind AS 116 (on 1st April, 2020)	-	15,426
Depreciation and Amortisation Expenses	3,856	3,856
As at 31st March, 2021	7,713	11,569
Lease Liability as at 1st April, 2020	12,140	15,426
Lease Interest	1,079	1,433
Repayment of Lease Liabilities	4,719	4,719
Lease Liability as at 31st March, 2021	8,500	12,140
Lease Liability – Non Current	4,467	8,500
Lease Liability – Current	4,032	3,640

• Impact on the Statement of Profit and Loss for year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Right of use assets (Property, Plant and Equipment) FY 2020-21	Right of use assets (Property, Plant and Equipment) FY 2019-20
Depreciation expense of right-of-use assets	3,856	3,856
Interest on Leases (included in Finance expenses)	1,079	1,434
Total amount recognised in profit or loss	4,935	5,290

The Company has been supplying electricity in the areas previously being serviced by Mula-Pravara Electric Co-operative Society (MPECS) and has been using its infrastructure for the said purpose. The matter relating to payment of user charges is under dispute as mentioned above in Note 36(1)(I)(a)(v). Pending resolution of the dispute and in the absence of necessary contract, assessment as to applicability of Ind AS 116 has not been made.

32. Prior Period Items:

Under Ind AS 8' Accounting Policies, Changes in Accounting Estimates and Errors' material prior period errors shall be corrected by retrospective effect. In the current year MSEDCL has income / expenditure (Net) pertaining to previous year, more than the threshold limit, hence prior period balances are restated accordingly.

a) DPS of MSGPCL:

The error was observed in the calculation of DPC for earlier years. Hence excess DPS amount of ₹ 2,02,113 lakhs provided erroneously in earlier years has been restated.

b) DPS Of MSETCL:

The excess DPS amount of ₹ 5,493 lakhs provided erroneously in earlier years has been restated.

c) RPO:

Refer to Note 36(3)(I) MSEDCL has not made the provision for cumulative RPO shortfall at average Competitive bidding rate as on 31.03.2020. As such excess provision of ₹ 1,35,119 lakhs, erroneously made in FY 2019-20 has been restated.

As a result, certain line items have been restated in the Balance Sheet and Statement of profit and loss the details of which are as under:

Restatement of Balancesheet as at 31st March 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Reported amount as at 31st March 2020	Reclassification /Restatment	After Reclassification /Restatment
1	**NON-CURRENT ASSETS**	3,3A			
	Property, Plant & Equipment		62,40,772		62,40,594
	(+) Meters earlier debited to Repair and Maintenance			7,197	
	(-) Short/Excess Depreciation			7,376	
2	**OTHER FINANCIAL ASSETS - CURRENT**	13	7,88,560		7,93,322
	(+) Solar Pump Grant Central Govt*			4,924	
	(-) Other Receivables			162	
3	**EQUITY**				
	Other Equity	16	(25,59,477)		(23,42,837)
	(-) Excess revenue recognised			162	
	(-) Excess recognition of Regulatory Income			1,43,586	
	(+) Excess provision of Purchase of Power			3,544	
	(-) Short provision of Purchase of Power			5,693	
	(+) Excess provision of RPO.			1,35,119	
	(+) Excess provision of Employee Expenses			23	
	(+) Meters earlier debited to Repair and Maintenance			7,197	
	(+) Excess provision of Repair and maintenance			3,443	
	(-) Short provision of Administration and General Expenses			161	
	(+) Excess provision of Finance Expenses			98	
	(+) Excess provision of DPC payable to PP and transmission vendors			2,07,606	
	(-) Short / Excess Depreciation			7,376	
	(-) Short provision of Other Expenses			913	
	(+) Excess provision of Regulatory Expense			17,500	
4	**CURRENT LIABILITIES - Financial liabilities**				
	Trade payables	22	21,71,096		20,38,127
	(-) Excess provision of RPO			1,35,119	
	(-) Excess provision of Purchase of Power			3,544	
	(+) Short provision of Purchase of Power			5,693	
5	**OTHER FINANCIAL LIABILITIES - CURRENT**	23	27,32,930		25,22,833
	(-) Excess provision of DPC payable to PP and transmission vendors			2,07,606	
	(-) Excess employee provision			23	
	(-) Excess provision of Repair and maintenance			3,443	
	(+) Short Admin provision			161	
	(-) Excess interest provision			98	
	(+) Other expenses			913	
6	**OTHER CURRENT LIABILITIES**	25	3,41,549		3,46,472
	(+) Solar Pump Grant Central Govt.			4,924	

Restatement of Balanceshe et as at 1st April 2019

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Reported amount as at 1st April 2019	Reclassification /Restatment	After Reclassification /Restatment
1	**NON-CURRENT ASSETS**	3,3A			
	Property, plant and equipment		61,03,791		60,96,496
	(+) Meters earlier debited to Repair and Maintenance			210	
	(-) Short Depreciation			7,504	
2	**OTHER FINANCIAL ASSETS - CURRENT**	13	9,86,097		9,90,954
	(+) Solar Pump Grant Central Govt*			4,857	
3	**EQUITY**				
	-Other Equity	16	(25,80,249)		(24,01,285)
	(+) Excess provision of Purchase of Power			3,544	
	(-) Short provision of Purchase of Power			5,693	
	(+) Excess provision of DPC payable to vendors			1,71,131	
	(+) Excess provision of Employee Expenses			23	
	(+) Meters earlier debited to Repair and Maintenance			210	
	(+) Excess provision of Repair and maintenance			135	
	(-) Short provision of Administration and General Expenses			161	
	(+) Excess provision of Finance Expenses			98	
	(-) Short/ Excess Depreciation			7,504	
	(-) Short provision Other Expenses			319	
	(+) Excess provision of Regulatory Expense			17,500	
4	**TRADE PAYABLES - CURRENT**	22	17,73,889		17,76,038
	(-) Excess provision of Purchase of Power			3,544	
	(+) Short provision of Purchase of Power			5,693	
5	**OTHER FINANCIAL LIABILITIES - CURRENT**	23	20,32,176		18,61,267
	(-) Excess provision of DPC payable to PP and transmission vendors			1,71,131	
	(-) Excess employee provision			23	
	(-) Excess provision of Repair and maintenance			135	
	(+) Short Admin provision			161	
	(-) Excess interest provision			98	
	(+) Short provision of other expenses			319	
6	**OTHER CURRENT LIABILITIES**	25	2,51,330		2,56,187
	(+) Solar Pump Grant Central Govt*			4,857	

*Refer to Note no. 36(33)

Restatement in Statement of Profit and Loss for FY 2019-20

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Reported amount for FY 2019- 20	Reclassification /Restatment	After Reclassification /Restatment
1	**Other Income**	28	8,44,344		8,44,182
	(-) Excess revenue recognised			162	
2	**Purchase of Power**	29	68,85,039		67,49,920
	(-) Excess provision of RPO			1,35,119	
3	**Repairs and maintenance**	31	85,187		74,892
	(-) Excess provision			3,308	
	(-) Meters earlier debited to Repair and Maintenance			6,988	
4	**Finance Expenses**	33	4,87,116		4,50,642
	(-) Excess provision of DPC payable to PP and transmission vendors			36,475	
5	**Depreciation and Amortisation**	34	3,07,036		3,06,907
	(-) Short/ Excess Depreciation			128	
6	**Other Expenses**	35	6,72,283		6,72,878
	(+) Other			594	
7	**Regulatory Income / (Expense)**		8,44,661		7,01,075
	(-) Excess recognition of Regulatory Income			1,43,586	
8(a)	Earning Per Share (Including Regulatory Income)				
	Earning per share (Rupee)Basic		0.07		0.14
	Diluted Earning Per Share(Rupees)		0.07		0.14
8(a)	Earning Per Share (Excluding Regulatory Income)				
	Earning per share (Rupee)Basic		(1.71)		(0.28)
	Diluted Earning Per Share (Rupees)		(1.71)		(0.28)

Restatement in Cash Flow Statement for year ended 31st March, 2020					(₹ in Lakhs)
Sr. No.	**Particulars**	**Note No.**	**Reported amount for FY 2019- 20**	**Reclassification /Restatment**	**After Reclassification /Restatment**
A	**Cash Flow From Operating Activities**				
	Net Profit/(Loss) before Tax and before regulatory deferral account balance		(800,759)	(181,318)	(619,440)
	Add: Net movement in regulatory deferral account balance		844,661	143,586	701,075
	Net Profit/(Loss) before Tax (including net movement in regulatory deferral account E		43,902	(37,732)	81,635
i	**Adjustments for**				
	Depreciation and amortisation expenses		307,036	128	306,907
	Finance Costs		483,127	36,475	446,652
	Regulatory Deferral Account Balance		(844,661)	(143,586)	(701,075)
	Operating Profit before Changes in Working				
	Capital (Sub Total - (i)}		(54,498)	(106,983)	52,485
ii	**Movements in Working Capital** [Increase) / Decrease in Trade Receivables		(1,265,737)	(0)	(1,265,737)
	(Increase) /Decrease in Other financial assets-Current		198,276	(96)	198,371
	Increase / (Decrease) in Trade Payables		397,207	135,119	262,088
	Increase / (Decrease) in financial liabilities-Current		626,588	2,714	623,874
	Increase / (Decrease) in Provisions		225,532	57	225,475
	Increase / (Decrease) in Other Non Current liabilities		17,258	194,795	(177,537)
	Increase / (Decrease) in Other Current liabilities		90,219	(67)	90,285
	Sub Total - (ii)		289,344	332,523	(43,179)
	Total (i)+(ii)		**234,846**	**225,540**	**9,306**
	Net Cash from Operating Activities(A)		**278,748**	**187,808**	**90,940**
B	**Cash Flow From Investing Activities**				
	Purchase of Property, Plant & Equipment & Intangible Assets, CWIP		(585,752)	(229,400)	(356,352)
	Grant Utilised for Property, Plant & Equipment			236,388	(236,388)
	Net Cash generated from / (used in) Investing Activities (B)		(585,752)	6,988	(592,740)
	Cash Flow From Financing Activities				
C	**Grant received**		-	(194,795)	194,795
	Net Cash from Financing Activities (C)		-	194,795)	194,795
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		(307,004)	(0)	(307,004)

33. Disclosure as per Ind AS 1 'Presentation of financial statements' :

Reclassifications and Comparative figures:

Certain reclassifications have been made to the comparative period's financial statements to:

- Enhance comparability with current year's financial statements
- Ensure compliance with the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013"

As a result, certain line items have been reclassified in the Balance Sheet the details of which are as under:

Reclassification of Balance sheet as at 31st March, 2020

(₹ in Lakhs)

Sr. No	Particulars	Note No.	Reported amount as at 31st March 2020	Reclassification	Restatement	After Reclassification and Restatement
1	OTHER FINANCIAL ASSETS - CURRENT	13	7,88,560			7,93,322
	(+) Solar Pump Grant Central Govt			4,924		
	(-) Other Receivables				162	
2	OTHER CURRENT LIABILITIES	25	3,41,549			3,46,472
	(+) Solar Pump Grant Central Govt			4,924		

Reclassification of Balance sheet as at 1st April, 2019

(₹ in Lakhs)

Sr. No	Particulars	Note No.	Reported amount as at 1st April 2019	Reclassification	After Reclassification
1	OTHER FINANCIAL ASSETS - CURRENT	13	9,86,097		9,90,954
	(+) Solar Pump Grant Central Govt			4,857	
2	OTHER CURRENT LIABILITIES	25	2,51,330		2,56,187
	(+) Solar Pump Grant Central Govt			4,857	

34. Recent Accounting Developments

On March 24, 2021, the Ministry of Corporate Affairs (''MCA'') through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

35. Corporate Social Responsibility (CSR)

While MSEDCL in the past 3 successive years has been able to generate a book profit, considering the unadjusted losses of earlier years which based on opinion obtained are available for set off against the said profits, there is no average net profit as computed as per section 198 of the Companies Act, 2013. Thus in pursuance to CSR policy provisions mandated in section 135(5) of the Companies Act, 2013, CSR is not applicable to MSEDCL for the year ended 31st March, 2021.

36. LMC/LMR Fund (Refer Note 18):

Considering the critical situations arising an account of demand supply gap and submissions made by authorized consumer representatives, the MERC decided to take emergent measures to curb electricity demand and vide order dated 26 April 2005 directed to levy Load Management Charges (LMC) and Load Management Rebate (LMR) to consumers.

As per the order a 'Load Management Charges' shall be levied on all electricity consumers in Maharashtra (including Mumbai) whose consumption exceeds 500 units per month in the billing months of May and June,2005. These charges will be levied at the rate of ₹ 1 per unit for the electricity consumed in excess of 80% of the consumption recorded in the corresponding billing months of 2004. Similarly, those whose consumption is less than 80% as compared to the corresponding period in 2004 will be given a 'Load Management Rebate' of 50 paise per unit. This Charge and Rebate will be applicable to all metered consumers. The net amount recovered from the Charge/Rebate will be kept separately by the Licensees to be used for energy conservation and other programmes, for which separate instructions will be issued.

Accordingly MSEDCL levied LMC/LMR to the consumers in the bills for the month May and June-2005. MSEDCL thus collected ₹ 2,430 Lakhs, which is net of LMC/LMR. This fund will be utilized for energy conservation or any other such program as per the instruction of MERC in due course.

37. COVID 19 :

Considering power supply being an essentials service, the Company has continued to supply power during the period of lockdown/ restrictions imposed by the Government to combat COVID-19. The reduction in demand had an adverse impact on revenue of the Company, mainly during the first half of the current year. The company also faced cash flow shortages owning to its inability to collect dues from customers during the lockdown period. Consequent upon unlocking mission in phased manner, the economy is gradually revived and the recovery mechanism is strengthened. The company is taking necessary steps to ensure adequate liquidity to discharge the liabilities in time.

The management has considered all possible impact of COVID 19 pandemic and estimated future cash flows for the Company which indicates no major change in financial performance as estimated prior to COVID-19 impact and hence, the company believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due.

38. The Code on Social Security, 2020:

The Code on Social Security 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

39. Significant Events after the Reporting Period:

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

In May 2021 the cyclone "Tauktae" caused severe damage to the power distribution network and resulted in disruption in power supply in the state mainly in Konkan area. It caused damage of ₹5,847 lakhs.

Further, power distribution network was badly affected due to heavy rain in the month of July 2021in the state mainly in Kolhapur & Sangli, causing damage of ₹10,270 lakhs.

40. The standalone financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on 24th Nov, 2021.

As per our Report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
(FRN : 101961W/W100036)

Sd/-
(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

Sd/-
Ravindra Sawant
Director (Finance)
DIN No.08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No.05169675

For Shah & Taparia
Chartered Accountants
(FRN : 109463W)

Sd/-
(CA Bharat Joshi)
Partner (ICAI M.No.130863)

Sd/-
Swati Vyavahare
Executive Director (F &A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

For GMJ & Co
Chartered Accountants
(FRN : 103429W)

Sd/-
(CA Atul Jain)
Partner (ICAI M.No.037097)

Sd/-
Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 24/11/2021

Place : Mumbai
Date : 24/11/2021

ANNEXURE - D
MANAGEMENT REPLIES TO THE STATUTORY AUDITOR'S REPORT FOR THE FY 2020-21

Auditors' Report	MSEDCL's Remarks
Report on the Audit of the Consolidated Financial Statements: **Qualified Opinion** We have audited the Consolidated Financial Statements of **Maharashtra State Electricity Distribution Company Limited ("the Holding Company")** and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Qualified Opinion paragraph below (quantified to the extent possible), the aforesaid Consolidated Financial Statements, read together with the matters described in the 'Emphasis of Matter' paragraph, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs (financial position) of the Group as at 31st March, 2021, its Consolidated loss, total comprehensive loss (financial performance), Consolidated statement of changes in equity and its Consolidated cash flows for the year ended on that date.	No Comments
Basis for Qualified Opinion We draw attention to the matters described in **paragraphs 1 to 15** below. The effects of these matters (whether quantified or otherwise) on the Consolidated Financial Statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material.	Please Refer Replies to "Audit Report Main"

Audit Report Main – referred to in our report under "Basis for Qualified Opinion" paragraph

Sr. No.	Auditor's Report	MSEDCL's Remarks
1.	**Property, Plant & Equipment (PPE), Depreciation and Impairment :**	
a)	As mentioned in Note 36(5) to the Consolidated Financial Statements, due to non-availability of proper and complete records relating to date of capitalisation of PPE and Work Completion Reports in the Holding Company, we have come across instances of non-capitalisation and/or delayed capitalisation (which is not in accordance with requirements of Ind AS 16 'Property Plant and Equipment'), with corresponding impact on depreciation. In the absence of proper audit trail, we are unable to quantify the impact arising on account of non-capitalisation / delayed capitalization, resultant depreciation, and consequential impact, if any, on the Consolidated Financial Statements for the year under audit.	There are some instances where there is delay in capitalization. The WCR and Asset creation process has been now automated and simplified during the year whereby Asset is accounted for immediately after creation of WCR. Technical WCR are generated automatically after approval of joint measurement certificate. On the basis of technical WCR, Financial WCR including employee, administration & interest cost is automatically created and same is charged on assets under construction in financial ledger. As such henceforth there will not be delay in capitalization. The capitalisation pendency is monitored at Head office level through various SAP Reports and instructions are issued to field offices accordingly. Also if assets work completion dates are earlier than Asset capitalisation date, depreciation on this differential period is provided for manually.
b)	During the year, the Holding Company has capitalised borrowing costs amounting to ₹. 1097.45 Lakhs (2019-20 ₹. 239.07 Lakhs, 2018-19 ₹. 755.63 Lakhs) (refer Note 33) as part of cost of PPE. Capitalisation of borrowing costs has been done without identifying qualifying assets, without considering the principles of allocating interest on general and specific borrowings, without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers. Further, the Holding Company has capitalised employee cost and office & administrative expenses of ₹. 39,374.19 Lakhs (2019-20: ₹. 43,158.74 Lakhs 2018-19 ₹. 48,309.12 Lakhs) (Refer Note 30 & 32). The above expenses	The accounting policy in this regard is disclosed at point no.8(b) in Note -2 on "Significant Accounting Policies" as under "Interest relating to construction period in respect of acquisition of the qualifying assets is capitalized on the addition to Work in Progress during the year based on the average interest rate applicable to the loan." The Company has been following this policy of interest capitalisation consistently. The borrowing cost (the interest on loans used for capital work) is capitalized by identifying the qualifying assets. The borrowing cost is capitalized , if 1. The scheme / work is of capital nature 2. The loans for such schemes/ works have been sanctioned / obtained. 3. The work completion period of such schemes/works as per work order should be 12 months or more. As the MSEDCL is not having a separate wing for

Sr. No.	Auditor's Report	MSEDCL's Remarks
	represent 15% of cost of additions to CWIP [Refer accounting policies on Property, Plant and Equipment as mentioned in Note 2(8)]. However, the Holding Company does not have a practice of specifically identifying such expenses attributable to additions to CWIP/PPE. Capitalisation of these costs has been done without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers. Such capitalisation of interest, employee cost and office and administrative expenses is not in accordance with requirements of Ind AS 23 'Borrowing Costs' read with Ind AS 16 'Property, Plant & Equipment'. In the absence of sufficient and appropriate audit evidence, we are not in a position to comment on the correctness of the amounts capitalized as above. Further, employee costs, office & administrative expenses and borrowing costs have also been capitalised in earlier years on similar lines. As a result, the Property, Plant and Equipment are overstated by the amount capitalised and depreciation has also been overcharged. The impact of the same, however, cannot be ascertained and quantified.	handling capitalization and O&M activities, Departments / Staff carry out both the activities at field level & Head Office. Therefore, the company has carried out detailed exercise of identifying Employee, Administrative and general expenses directly attributable to bring the asset in the location & in the condition necessary for it to be capable of operating in the manner intended by the management, based on the data of FY 2015-16 and FY 2016-17. After carrying out the said exercise, the employee and Administrative & general expenses to be capitalized come to 13.66% in FY 2015-16, 15.36% in FY 2016-17. The same is rounded off to the nearest 15%. The Accounting policy of capitalizing @ 15% has been followed consistently during FY 2020-21. Employee cost and administrative expenses incurred during the current year are not capitalized on opening balance of Capital Work in Progress, as it is not attributable to opening CWIP. Employee costs and office & administrative expenses are capitalised on additions to CWIP during the year. Thus the capitalization of these costs is not done on interrupted projects. In the master data of the project in SAP, the percentage of funding of the project such as grant, consumer contribution, loan, internal sources etc. is updated. Thus the borrowing cost is capitalised on the project costs funded through loan only and not on government grants and consumer contribution from the project costs. Thus, Company has identified these expenses attributable to additions to CWIP or to the acquisition of fixed assets, and as such the fixed assets are not overstated in Current Financial year as well as earlier Financial years.
c)	No physical verification of Property, Plant and Equipment of holding company was conducted during the year by the management. As a result, the possible impact, if any, on the Consolidated Financial Statements, based on outcome of such physical verification, if it had been conducted, could not be ascertained.	The Company has formulated policy for the physical verification of Fixed Assets during the FY 2017-18. This policy has been modified in FY 2018-19. As per the procedure, after completion of every project/work, joint measurement certification (JMC) is done. After verification, asset is created and accounted for in the books of accounts. Also, the

Sr. No.	Auditor's Report	MSEDCL's Remarks
		third party inspection is carried by reputed agencies like REC, PFC etc. after commissioning of assets. If any problem like supply interruption arises, the action to normalize the power supply is taken immediately and no asset remains unattended for a long time. The power is given continuously 24 X 7 hrs to consumers except few incidences of interruptions and the power is continuously transmitted through the distribution network which indicates that infrastructure network once created is always in service / use. Due to peculiar nature of business i.e. to supply continuous 24 X 7 hrs electricity and 100% third party inspection at the time of commissioning of new Fixed asset, physical verification of network assets i.e. plant and machinery, lines and cables and communication equipments is carried out in regular course of business.
d)	In the Holding Company, Capital Work in Progress includes Project Stock amounting to ₹. 3,11,305.18 Lakhs (2019-20 ₹. 3,33,215.39 Lakhs, 2018- 19 ₹. 179,794.89 Lakhs) for which complete details as regards to movement during the year and the status as at 31st March 2021 for various projects has not been made available. In the absence of these details, we are unable to comment upon the consequential impact, if any, on the Consolidated Financial Statements.	The WBS-wise and circle-wise details of CWIP-Project Stock amounting to ₹.3,11,305.18 lakhs showing year-wise opening balance, addition during the year, deletion during the year and closing balance were provided. There are thousands of materials in each WBS. The report for material wise movement is not readily available in SAP and hence, could not provide. Also year-end status of the project was not readily available.
e)	As stated in Note 36(12), the Holding Company has carried out review of its assets with respect to economic performance. However, detailed evaluation/working as to whether any impairment is warranted has not been made available to us. In the absence of such evaluation/working, we are unable to comment about the impact, if any, arising on account of impairment, as required to be provided under Ind AS 36 'Impairment of Assets'.	Due to regular maintenance and based on internal review and information, the Company is of the opinion that economic performance of the assets of the Company is reasonable and therefore there is no impairment as on the date of the Balance Sheet.
2. a)	**Leases :** As stated in Note no. 36(32)(ii), while recognising the lease assets (Right of Use Asset) and lease	Ind AS 1 Presentation of Financial Statements states that Material omissions or misstatements of items

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	liabilities, the Holding Company has excluded leases with lease rent payment of less than ₹. 10.00 Lakhs per month which is not in accordance with recognition criteria as specified in Ind AS 116 on Leases. In the absence of full details the impact of same on the Consolidated Financial Statements cannot be ascertained.	are material if they could individually or collectively influence the economic decisions that users make on the basis of the financial statements. The Company recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, (except for leases amounting to ₹ 11 Lakhs, where rent is less than ₹ 10 lakh per month, recognised as an expense during FY 2020-21) Hence, it being not material, the Company has excluded leases with lease rent payment of less than ₹. 10 Lakhs per month, while recognising the lease assets (Right of Use Asset) and lease liabilities.
b)	In the absence of availability of adequate details, disclosures as required under Ind AS 116 have not been made	The adequate details for disclosure of 'Leases' as per IND-AS 116 will be obtained.
3.	**Inventories other than Project Stock:** The Holding Company has conducted physical verification of inventories at various locations. The Holding Company has made provision for slow moving/ non-moving stock/ obsolete stock of ₹. 4,926.31 Lakhs (F.Y 2019-20 ₹. 2,444.79 Lakhs, F.Y 2018-19 ₹.2,590.22 Lakhs) based on the physical verification report. In the absence of breakup of slow moving / non-moving/ obsolete stock duly reconciled with the ageing report from the system we are unable to comment on the adequacy of the provision made.	Provision for slow moving/non-moving/obsolete stock has been made on the basis of physical verification report given by Internal Auditors in FY 2020-21.
4.	**Expected Credit Loss (ECL) on Trade Receivables:** As stated in Note No. 36(6)(II)(i)(a) to the Consolidated Financial Statements, the Holding Company has made provision for expected credit loss under Ind AS 109 'Financial Instruments' in respect of trade receivables. In this regard attention is drawn to the following:	
a)	The Holding Company has made provision for ECL of ₹. 651.77 Lakhs (Computed at the normal rate applied to Trade Receivables) (2019-20 ₹. 174.60, 2018-19 ₹. Nil) instead of providing for	The company has made ECL provision on receivable amount from SND Ltd at normal rates as Final termination account in respect of SND Ltd is in progress and provisional amount payable to SND Ltd

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	the entire amount of ₹. 16,294.16 Lakhs (2019-20 ₹. 13,127.71 Lakhs 2018-19 ₹.11,952.41) receivable from Spanco Nagpur Discom Limited, the Distribution Franchisee (Refer Note No. 36(9)(b))	is ₹5,400 Lakhs (PY ₹ 5,096Lakhs), however, the balance as per books of accounts is ₹ 16,298 lakhs. No effect to the said termination has been given in the financial statements as at 31st March 2021. The same is shown as contingent liability.
b)	The Holding Company has not considered trade receivables amounting to ₹. 2,34,920.00 Lakhs (2019-20 ₹. 2,34,920.00 Lakhs, 2018-19 ₹.2,34,920 Lakhs) due from Mula Pravara Electric Co-op. Society Limited (MPECS).	MSEDCL has initiated legal proceeding for recovery of arrears of ₹ 234920.00 Lakhs due from MPECS and as per the Management's opinion entire amount is recoverable and it expects no credit loss in the case of MPECS.
c)	The Holding Company has not considered 100% ECL provision on the amount of interest (amount not ascertained) due from consumers, in whose case subsequent recognition of interest has been discontinued, following the accounting policy in respect of recognition of interest as enunciated in Note 2(5)(a)(v).	Based on the past experience, practical expedient, segmentation of customers and their aging profile the Company has calculated credit loss on Trade receivables including interest. The allowance for expected credit loss on interest arrears as on 31st March 2021 is of ₹. 507561 Lakhs which comes to 47 percent of net interest.
d)	Note36(6)(II)(i)(a) relating to movement in ECL during the year. The Management of the Holding Company has made provision for ECL on the basis of a provision matrix for various categories of consumers. Considering that there is a substantial increase in the trade receivables as a result of slow recovery following COVID 19 and that substantial amounts have been written off as bad debts in earlier years, we are unable to comment on the basis adopted for providing ECL and adequacy thereof.	The Company is catering service to around 2.85 crores consumers. These consumers are categorized into four categories for computing ECL viz. 1.Government authorities/bodies, 2. Permanent Disconnected Consumers, 3.Agricultural consumers and 4. Regular. The company has calculated ECL based on the past experience, practical expedient, segmentation of customers and their aging profile. Taking into consideration for substantial increase in the trade receivables as a result of slow recovery following COVID 19, the company has undertaken stringent recovery drive and arranged camps for resolving consumer billing issues at field level. As a result, the recovery is increasing and as such ECL provision is not increased for regular consumers. The overall ECL to the tune of 19% of receivables is provided which appears to be adequate.
	In the absence of audit trail / adequate details in respect of matters stated in paragraphs above, we are not in a position to comment on the consequential impact of the same on the Consolidated Financial Statements of the Company for the year under audit.	

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5.	**Unexplained Balances and Classification & Presentation thereof :**	
a)	The necessary data/ details pertaining to following accounts of the Holding Company were not made available for verification during the course of audit.	These balances include very old balances in assets and liabilities. In some cases of old balances details are available and in other cases details are not readily available. These balances are either lying since trifurcation period of MSEB and /or on migration to SAP software. The detail scrutiny of assets and liabilities is in process and necessary action will be initiated after due verification. The proposal for write off / write back of old balances, if required, will be initiated where the records are not available.

(₹ In lakhs)

Sr. No.	General Ledger Code	Account Description	Assets / (Liabilities)
1	10303011	Misc. Deposit from Consumer	(1662.23)
2	10303013	Other Miscellaneous Deposits	(1275.05)
3	10303015	Deposits from employees	(1.30)
	10303019	Security Deposit Payable to Consumers	(5568.94)
5	10303020	Amount under Saubhagya Scheme	(0.52)
6	10501002	Liability for amount payable to licensees	(471.74)
7	10501007	SD from Vendor capital	(1,289.32)
8	10501008	EMD received from supplier & contractor-Capital	(762.35)
9	10501009	Security Deposits from vendor O&M	(12,245.03)
10	10501010	EMD received from supplier & contractors - O&M	(5,169.32)
11	10501011	Security Deposits – Others	(766.02)
12	10501012	Refund of amount of Non-DDF Scheme	(10,020.74)
13	10501014	Retention money from suppliers, contractors	(2,11,211.45)
14	10501015	EMD received from Customer	(114.07)
15	10501017	SD received from Customer	(191.13)
16	10700501	Deposit for temporary service connections	(1,954.24)
17	10900605	Dishonour cheque feed to consumer	(77.63)
18	10902001	Liability for Supplies/ Works & Maintenance Material Vendor	(82,733.29)
19	10902002	Payable to FI Vendor	(4,127.76)
20	10902004	Payable to Service Vendor	(29.19)
21	10902009	Payable to Employee as Vendor	(104.51)
22	10902103	Liability for expenses	(74,163.39)
23	10902107	Liabilities towards Employee Claims	(922.26)
24	10902108	Deposits from Employee	(47.04)
25	10902111	Provision for Expenses O&M	(9,465.49)
26	10902310	Deduction from salary payable to outside party	878.89
27	11000002	Provision for liability for expenses incurred by staff	(756.75)
28	10902104	Salary Payable	(42.56)
29	10902307	Life insurance Premium recovered	(25.41)
30	10902349	Recovery from Employee Salary payable to out side party	(5,681.17)
31	10902316	Welfare fund contribution recovered from employ under act	(0.94)
32	10902008	Payable to Licensees	(0.13)

Sr. No.	Auditor's Report	MSEDCL's Remarks
	33 | 10902116 | Provision for Power Purchase Expenses | (1,61,449.21) 34 | 20600002 | Advances to Suppliers/ Contractor- Others | 34,246.13 35 | 20600103 | Other Deposits | 2,284.09 36 | 20901022 | Dues towards theft of | (2,520.47) 37 | 24000008 | T.A. Advance | 44.16 38 | 24000012 | Medical Advances | 383.12 39 | 24000013 | L. T. C. Advances | 7.19 40 | 24000017 | Advances to ITI Training Fee | 55.00 41 | 24100006 | Interest accrued and not due on staff loans | 21.92 42 | 24100007 | Amount receivable from employees* | 438.68 43 | 24100008 | Amount receivable from ex- employees* | 16.07 44 | 24100010 | Amounts receivables from other State Electricity Boards* | 9,429.45 45 | 24100018 | Advance to prospective employees | 18.49 46 | 24100023 | Short remittance by collection agency & employee / Ex-employee* | 668.78 47 | 24100024 | Receivable from supplier contractor | 76.82 48 | 20600205 | Loans and Advances to Licensees* | 31.34 49 | 20901513 | Receivable from Scrap Customer | 241.47 50 | 20901510 | Sundry Debtor for sale in bulk-interstate | (18,233.64) * These balances have been fully provided in the books. In the absence of appropriate explaination/ reconciliation, we are unable to comment upon accuracy of these balances. The effect of the adjustments, if any, arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained.	
b)	The balances in various asset and liability accounts of the Holding Company include: (i) balances carried forward since trifurcation period (ii) balances uploaded on migration to SAP software, for which adequate details are not available and as such we are unable to comment on such balances and the impact, if any, on the Consolidated Financial Statements.	The detail scrutiny of assets and liabilities is in process and necessary action will be initiated after due verification. The proposal for write off / write back of old balances, if required, will be initiated where the records are not available.

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c)	Further, in absence of necessary data/ details, we are unable to comment whether the classification of assets and liabilities of the Holding Company in to Financial and Non-Financial, grossing up of assets and liabilities and their bifurcation in to Current and Non-Current are in accordance with the requirements of Ind AS 1 Presentation of Financial Statements, Ind AS 32 'Financial Instruments: Presentation' and Schedule – III to the Act.	The Company has broadly classified the assets and liabilities into financial and non-financial and their bifurcation into Current and Non-Current. In some cases, the classification is difficult being old balances carried forward since trifurcation period and uploaded on migration on SAP software. These items are listed out and classified as Current.
d)	The Holding Company has various Purchase Orders (PO), which have not been executed as on balance sheet date. The Holding Company has not mapped the Open Purchase Orders relating to capital items with capital advances and capital commitments disclosure. In the absence of such mapping, we are unable to comment on the accuracy of the disclosure made in Note 36(1)(III) towards capital and other commitments.	The segregation of Purchase orders has been made as per available information. The report for open Purchase orders is available in SAP.
6. a)	**External Balance Confirmations/ Reconciliations:** Attention is drawn to Note 36(4) to Consolidated Financial Statements - Balances of loans and advances, various other debit/credit balances and dues from government of the Holding Company are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations followed by the Holding Company needs to be strengthened further. In the absence of proper records / details, we are unable to ascertain the effect of the adjustments, if any, arising from reconciliations and settlement of old dues, possible loss / profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.	In case of loans, the confirmation from the financial institutes and banks are obtained. Moreover, in case of creditors for Power Purchase in most of the cases either confirmation has been obtained or reconciliation has been done. In case of Dues from Government, the correspondence with company can be treated as the confirmation of balance with Govt. For most of the vendors the Communications were sent for balance confirmation. In some cases confirmation is received. In some cases in spite of follow up the confirmations are not received.
b)	Attention is drawn to Note 11 and Note 36(4) to the Consolidated Financial Statements regarding non-availability of: (i) Balance confirmations from Post Offices of the Holding Company The details in respect of balances with Post	Balance confirmation has been sought from Post offices. However, the Post Office has informed that confirmation of balances as requested is not possible in their system. Now, the collection from Post office is discontinued from FY 2019-20.

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	Office as per books of account for which confirmations are not available are as under: (₹ In Lakhs)	

FY	Balances with Post Office	
	Total Debit balances	Total Credit balances
2020-2021	33,277.31	23,215.56
2019-2020	36,410.80	26,313.08
2018-2019	28,480.38	18,936.05

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	(ii) Reconciliation of Post Offices for all circles of the Holding Company In the absence of availability of balance confirmations/reconciliations, we are unable to comment on the consequential impact, if any, of the same on the Consolidated Financial Statements for the year under audit.	The reconciliation of balances with post office is in process.
c)	As stated in Note 36(21) to the Consolidated Financial Statements, there is a difference of ₹. 9,71,175Lakhs (2019-20 ₹. 4,27,616.00 Lakhs, 2018-19 ₹.2,25,504 lakhs) in balances receivable/payable as appearing in the books of account of the Holding Company and the corresponding balances in the books of the group companies. In the absence of reconciliation, we are unable to comment on the impact thereof, if any, on the Consolidated Financial Statements.	Difference of Rs. 9,84,209 lakhs is pertaining to PP transactions with MSPGCL & MSETCL, due to DPS claimed by MSPGCL & MSETCL & unaccepted bills by MSEDCL. The Reconciliation statement of all the Generators incl. MSPGCL & MSETCL was done and already shared. In case of Renewable Energy section reconciliation is done for generators approached MERC for outstanding dues etc on priority basis. Remaining generators due to voluminous data timely reconciliation is not possible. The development of displaying details of payment and outstanding of generators to the NCE portal for reconciliation of dues and outstanding with MSEDCL is under process. The balance confirmation and reconciliation of outstanding balances with group companies for Loan and Advances have been provided. In case of MSEB Holding company, there are balances related to the erstwhile MSEB, which are not accepted by MSEDCL amounting to ₹ 20705.53 lakhs and it is also requested to holding Company to write off /write back in their books.
d)	In respect of variation of ₹.607.67 Lakhs in the balance as per the books of the Holding Company and balance as appearing in the books of	The balance as per the books of the Company and balance as appearing in the books of Contributory Provident Fund Trust (CPF) are under reconciliation

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	Contributory Provident Fund Trust (CPF) no details/ explanation has been provided. In the absence of adequate details, we are unable to comment on the consequential impact on the statement of profit and loss account and retained earnings.	and necessary rectification entries, if any will be passed in FY 2021-22.
7.	**Refund of Regulatory Liability Charges:** As stated in Note no. 36(28), during FY 2003-04 to FY 2006-07, the Holding Company had collected Regulatory Liability charges from the consumers. MERC had passed an order to refund an amount of ₹. 3,22,700 Lakhs (out of the amount collected) to the consumers. The Holding Company has refunded ₹. 3,12,273 lakhs upto 31.03.2021. (2019-20 ₹. 3,12,394 Lakhs, 2018-19 ₹.3,12,217 Lakhs). The Holding Company has not made provision towards the balance amount of ₹. 10,427 lakhs (2019-20 ₹. 10,306 Lakhs, 2018-19 PY ₹. 10,483 Lakhs) refundable to the consumers.	As per the information available with the Company there is no outstanding demand of refund of RLC. Hence, no provision is required to be made.
8. a)	**Government Grants & Consumer Contributions:** As per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance', government grant for capital assets is recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortises the related costs of such capital asset. The Holding Company assumes that all grants received are utilised and the assets are capitalised in the same year. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of grants, we are unable to comment on the consequential impact on the Consolidated Financial Statements.	The Accounting policy in this regard is disclosed at point no 6 in Note 2 on "Significant Accounting Policies" as under; "Government grants relating to the purchase of property, plant and equipment are presented as Capital Grant in financial statements and are credited to profit and loss in a systematic manner over the expected life of the related assets and presented within other income." The Grants are immediately utilized to create the assets and as such amortisation starts in the same year. During FY 2020-21 the company has considered only utilized grant, based on Chartered Accountant's Certificate, for major schemes i.e. DDUGJY and IPDS for amortization of Grants.
b)	Consumer contribution for capital assets is recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortises the related costs of such capital	The Accounting policy in this regard is disclosed at point no 6 in Note 2 on "Significant Accounting Policies" as under; "Consumer Contributions relating to the purchase/

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	assets. The Holding Company assumes that all contributions received are utilised and the related assets are capitalised in the same year. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of consumer contribution, we are unable to comment on the consequential impact on the Consolidated Financial Statements.	construction of property, plant and equipment are credited to profit and loss in a systematic manner." The Consumer Contributions are generally utilized to create the assets in the year it is received and as such amortisation starts from the same year.
9.	The contingent liabilities as disclosed in Note No. 36(1) - is based on information as provided and confirmed by the management of the Holding Company. In the absence of adequate documentation by the Holding Company and adequate audit trail, we are unable to comment on the completeness of the disclosure of the contingent liabilities and whether any additional provision is required to be made in the books of the Holding Company. The consequential impact on the Consolidated Statement of Profit and Loss and retained earnings is not ascertainable.	The circle wise list of contingent liability duly vetted by Law officers with relevant documents such as court orders, Income Tax orders, Income Tax Appeal documents and orders etc. have already been provided to Auditors.
10.	**Employee Benefit Expenses:** The Holding Company has not carried out any actuarial valuation for interest shortfall on Post Employee Benefits - Defined Benefit Plan - Contributory Provident Fund (CPF) as per Ind AS 19 – Employee Benefits. The fund is administered by the Trustees of the Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). In the absence of any such valuation, we are not able to comment on the impact, if any, on the Consolidated Statement of Profit and Loss for the year and Retained earnings.	Interest shortfall on CPF is borne by the employer on the basis of actual data provided by CPF Trust in accordance with the provisions of scheme.
11. a)	**Non provision of various expenses:** As mentioned in Note 36(1)(I)(iii)(B)(a)to(e)to the Consolidated Financial Statements, on account of ambiguity in the method of computing the amount payable, which matter is pending before Supreme Court, the Holding Company has not provided for the liability towards compensation for incremental coal cost pass through pursuant to New Coal Distribution Policy (NCDP) payable to	Factual and the issue is regarding shortfall in supply of domestic coal to power generators. Owing to such shortfall power generators had to arrange coal from some other sources by incurring additional cost. Ministry of Coal vide letter dtd.26.07.2013 has notified the changes in the New Coal Distribution Policy (NCDP) as approved by the CCEA. As per decision of the Government, the higher cost of

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	various vendors amounting to approx. ₹. 14,44,604.59 lakhs (2019-20 ₹. 7,58,385.00 lakhs 2018-19 ₹.4,42,729.00 Lakhs).	import/market based e-auction coal be considered for pass through on a case to case basis by CERC/SERC to the extent of shortfall in the quantity indicated in the LoA/FSA. Pursuant to the Hon. Supreme Court Judgment dtd. 11.04.2017 in Energy Watchdog case, Hon. MERC has held that, the change in coal distribution policy by Government i.e. NCDP 2013 & SHAKTI Policy 2017 constitutes as an event of Change in law as per the provisions of PPA with IPPs. For computation of financial impact, various technical parameters are involved which decide the coal requirement of thermal power generating plant such as Station Heat Rate, Gross Calorific Value (GCV) of coal etc. There are disputes regarding consideration of these parameters between MSEDCL and generators, as to whether actual parameters are to be considered or parameters are per bids are to be considered. Such dispute is pending before Hon. Supreme Court. Hence, the amount of ₹. 14,44,604.59 Lakhs is shown as Contingent Liability
b)	As mentioned in Note 36(1)(I)(iii)(A)(c) to the Consolidated Financial Statements, the Holding Company has not provided for liability towards fixed charges payable to Ratnagiri Gas Power Private Limited (RGGPL) amounting to ₹.4,32,768.00 lakhs (2019-20 ₹. 4,22,856.23 lakhs 2018-19 ₹. 3,51,004.00 Lakhs). Sum of ₹. 18,101.07 Lakhs (2019-20 ₹. 18,101.07 Lakhs, 2018-19 Rs 18,101.07 lakhs) paid to RGPPL has been shown as advances.	PPA was executed between RGPPL and MSEDCL on 10.04.2007. Gas supply from KrishnaGodavari D6 Basin (KG D6) was continuously reducing. Due to high cost of alternative fuel i.e., RLNG and to avoid financial burden on consumers, MSEDCL has not accepted the power from RGPPL. RGPPL has not approached MSEDCL to facilitate of Gas Supply Agreement (GSA) for future period on expiry dtd. 31.03.14. Hence MSEDCL has terminated the PPA w.e.f. 01.04.2014. However, RGPPL is claiming DPC & also fixed charges without any generation & without any scheduling power for MSEDCL. Earlier, MSEDCL has paid an amount of ₹. 181.01 Crore as advance. Hence, amount of ₹. 181.01 Crore is considered as Contingent Liability. However, the said amount may also get pass through in ARR, if liable to pay. Therefore, the said amount also been treated as Contingent Asset. However if there is any .coercive action is initiated from RGPPL against the liability MSEDCL may move to Hon'ble Supreme Court as per their order dated 13.05.2015. Hence ₹. 4,32,768 Lakhs is shown as Contingent Liability.

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c)	As mentioned in Note 36(9)(b) to the Consolidated Financial Statements, the Holding Company has not made provision of ₹. 21,697.25 Lakhs (F.Y 2019-20 ₹. 18,223.71 Lakhs 2018-19 ₹.11,435 credit) for amount payable to distribution franchisee, Spanco Nagpur Discom Limited on termination.	The Company has accounted the receivable for ₹. 16,298 lakhs in FY 2020-21. Also, final termination process in respect of SND Ltd is in progress and after finalisation of termination process, the final reconciliation will be done and necessary accounting entry will be passed. However, the same is shown as contingent liability.
12. a)	**Other Items:** As stated in Note 36(27) to Consolidated Financial Statements, every year the Holding Company is required to invest in specified securities an amount equivalent to contingency reserve created during the preceding year as specified in the Maharashtra Electricity Regulatory Commission (MERC) Guidelines. The Holding Company has not made any earmarked investments during the year. The total amount invested in earmarked investments as at 31st March 2021 is ₹. 31,339.78 Lakhs (2019-20 ₹. 31,369.82 Lakhs 2018-19 ₹. 18,572.55 Lakhs) as against the contingency reserve of ₹. 1,25,732.00 (2019-20 ₹. 1,09,976 Lakhs, 2018-19 ₹. 95,700.00 Lakhs).	The Company was passing through a critical financial situation during this period and was not having sufficient funds to discharge the liabilities even of routine Operations & maintenance payments. The issue was deliberated in the Board Meetings and it was decided that, it would not be prudent to borrow the funds from the Banks at higher rates of interest and invest the same in contingency fund at lower rate at this juncture. In view of the above mentioned situation and considering the problem of liquidity crunch the total amount invested in earmarked investments as at 31st March 2021 is ₹.31,339.78 Lakhs (F.Y 2019-20 ₹. 31,369.82 Lakhs, F.Y 2018-19 ₹. 18,572.55 Lakhs) as against the contingency reserve of ₹. 1,25,732.00 lakhs (F.Y 2019-20 ₹. 1,09,976.00 Lakhs, F.Y 2018-19 ₹. 95,700.00 Lakhs). MERC allows the Expenditure to the extent of actual investment made against contingency reserve.
b)	The Holding Company has shown a sum of ₹. 1,89,619.12 Lakhs (2019-20 ₹. 2,04,802.10 Lakhs 2018-19 ₹. 1,22,153.35 Lakhs) and ₹.82,733.29 Lakhs (2019-20 ₹. 53,708.53 Lakhs, 2018-19 ₹. 70,207.98 Lakhs) as liabilities towards Clearing Goods Receipt Invoice Receipt (GRIR) and Liability for supplier Work & Maintenance respectively. These balances are net of debit balances. In the absence of requisite data and audit trail, we are not in position to ascertain the impact on the Consolidated Financial Statements.	The same will be reconciled and necessary rectification entries will be passed in FY 2021-22.
c)	Attention is drawn to Note 36(13) to the Consolidated Financial Statements regarding non	Due care has been taken to release the payment to MSME parties within due date.

<table>
<tr><th>Sr. No.</th><th>Auditor's Report</th><th>MSEDCL's Remarks</th></tr>
<tr><td></td><td>identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties. The liability on this account, if any, has not been quantified by the Holding Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the loss for the year under audit. Due to non-identification of MSMED parties, the disclosures, as required by the relevant Statute have not been made by the Company.</td><td></td></tr>
<tr><td>d)</td><td>There is a difference in balance of security deposit from consumers as per books of account and IT database of the Holding Company as mentioned below [Refer Note No. 36(6)(II)(i)(a)(c)].
(₹. In Lakhs)
<table>
<tr><th>Particulars</th><th>Balance as on 31.03.2021 as per books of account (A)</th><th>Balance as on 31.03.2021 as per IT Database (B)</th><th>Differences (A)- (B)</th></tr>
<tr><td>Security deposits</td><td>8,53,102.56</td><td>8,44,713.04</td><td>8,389.52</td></tr>
</table>
The Holding Company is in the process of reconciling the said differences.</td><td>The same will be reconciled and necessary rectification entries will be passed in FY 2021-22</td></tr>
<tr><td>e)</td><td>The Holding Company has availed a loan (sanctioned amount ₹. 8,50,000.00 Lakhs – amount outstanding as at 31st March 2021 ₹. 7,18,750.00 Lakhs (2019-20 ₹. 7,51,250.00 Lakhs 2018-19 ₹. 8,08,125.00 Lakhs) from Rural Electrification Corporation Limited (RECL). The said loan is guaranteed by the Maharashtra State Electricity Board Holding Company Limited (Holding Company) for which no amount has been charged by the Holding Company. The financial guarantee has, however, not been fair valued as required under Ind AS 109. As a result, the Consolidated Loss for the year is lower by ₹. 8,144.02 Lakhs and the accumulated balance in retained earnings is higher by ₹. 22,781.49 Lakhs as at 31st March 2021.</td><td>The MSEB Holding Company has given corporate Guarantee to REC in favour of the Company. There is no intention of Holding Company to gain any commercial benefit out of such Corporate Guarantee. Also, the charge has already been created on assets of the Company for the loans availed by REC. Corporate Guarantee provided by Holding Company is an additional cover to secure the liability. Therefore, the Holding Company has not charged any Guarantee fee or commission on corporate Guarantee provided. Hence, no fair value of such corporate Guarantee given by Holding company has been recognized as per IND AS 109 and incorporated in the books of accounts.</td></tr>
<tr><td>13.</td><td>Various qualifications listed in paragraphs 1 to 12 above will have a consequential impact on</td><td>Refer to replies given above.</td></tr>
</table>

Sr. No.	Auditor's Report	MSEDCL's Remarks

provision for Income Tax, Regulatory Assets and Deferred Tax. Impact of the same is not ascertainable.

Our report for the preceding year was also modified in relation to paragraph no. 1(a to d), 2(a to b), 4(a to e), 5(a to d), 6(a to c), 7, 8(a to b), 9, 11(a to c), 12(a to e).

The effects of the matters described above, which could be reasonably determined/ quantified, on the elements of the accompanying Consolidated Financial Statements are tabulated as under:-

Impact on Statement of Consolidated Profit & Loss

(₹ In Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2020-21 Overstated/ (Understated)
1	7	Non provision of expenses - RLC	10,427
2	11	Non provision of expenses - NCDP	14,44,604.59
3	11	Non provision of expenses - fixed charges	4,32,768
4	11	Non rovision of expenses - DF liability	21,045.25
5	12	Non-Provision of Corporate Guarantee	8,144.02
6	12	Security deposits from Consumers	(8,389.52)
		Total	**19,08,599.34**

Impact on Consolidated Balance Sheet

(₹ In Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2020-21 Overstated/ (Understated)
1	7	Current financial liabilities – Regulatory Liabilities	(10,427)
2	11	Non provision of expenses - Coal pass through	(14,44,604.59)
3	11	Non provision of expenses – Fixed charges	(4,32,768)
4	11	Non provision of expenses – DF liability (21,045.25)	
5	12	Security deposits from Consumers	8,389.52
6	12	Other Equity -Corporate Guarantee	(8,144.02)
7		Retained Earning	(19,23,236.81)

Sr. No.	Auditor's Report	MSEDCL's Remarks
	We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our Report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Consolidated Financial Statements.	

Material Uncertainty related to Going Concern

Sr. No.	Auditor's Report	Management's Replies
	As stated in Note 36(2), the accumulated losses of the Holding Company as at 31st March, 2021 are ₹. 25,32,626.94 Lakhs (2019-20 ₹. 24,01,011.19 Lakhs 2018-19 ₹. 24,59,459.60 Lakhs) which exceed 50% of the net worth of the Holding Company. The current liabilities as at 31st March 2021 are in excess of its current assets. Considering the fact that Government of Maharashtra is expected to infuse additional equity funds, as and when required, the Standalone Financial Statements of the Holding Company have been drawn up on going concern basis. We have relied on the management assessment and our audit report is not modified in this regard. The Subsidiary has negative net worth, negative operating cash flows and has suffered losses in current year and earlier years. These events indicate the existence of a material uncertainty that may cast significant doubt on the Subsidiary's ability to continue as a going concern, and therefore it may be unable to discharge its liabilities in full in the ordinary course of business/activities.	No Comments

Emphasis of Matters

Attention is invited to the following matters.

Sr. No.	Auditor's Report	Management's Replies
1.	Attention is drawn to Note 36(1)(iii)(C)(a) relating to accounting in respect of Delayed Payment Surcharge (DPS). There is a variation in the method of computing interest as adopted by the Holding Company and as adopted by Maharashtra State Power Generation Corporation Limited (MSPGCL). The Holding Company has accounted for Delayed Payment Surcharge by apportioning the payments made towards principal outstanding as against apportionment towards interest by MSPGCL. Besides there are some billing differences. The amount to the extent disputed has been disclosed as contingent liability.	Factual and as per provisions of LPS under MERC Regulation, MSEDCL has calculated DPS. However, methodology for Appropriation of payment is not defined in the PPA. Therefore, MSEDCL has appropriated payment towards principle first and balance, if any, is adjusted against DPS thereafter. Besides there is some other billing differences. Accordingly, MSEDCL has re calculated DPS liability and accounted in the books. The amount to the extent disputed has been disclosed as Contingent Liability.
2.	Attention is drawn to Note 36(1)(iii)(C)(b) in respect of Holding Company, for DPS relating to Maharashtra State Electricity Transmission Company Limited (MSETCL) on amount of principal due as at 31st July 2015 being claimed by MSETCL despite direction for waiver by MSEB Holding Company. Besides, there are other differences which are pending resolution. The amount to the extent disputed has been disclosed as contingent liability.	Factual and as per provisions of LPS under MERC Regulation, MSEDCL has calculated DPS. However, methodology for Appropriation of payment is not defined in the PPA. Therefore, MSEDCL has appropriated payment towards principle first and balance, if any, is adjusted against DPS thereafter. Besides there is some other billing differences. Accordingly, MSEDCL has re calculated DPS liability and accounted in the books. The amount to the extent disputed has been disclosed as Contingent Liability.
3.	Attention is drawn to Note 36(1) with regards to the Contingent Liabilities, which are significant in relation to the net worth of the Holding Company at the year end	As per Management opinion, It's a contingent liability. These are not expected to result into any material financial liability to the Company.
4.	As stated in Note No. 36(11)(1)(iii), the Holding Company has reversed Income Tax provision of ₹. 11,074 lakhs pertaining to FY 2019-20 based on the return of income filed for the said year considering the option under Section 115BAA under the Income Tax Act,1961.	While filling income tax return of AY 2020-21, MSEDCL has availed the option of taxation of domestic companies at lower rate U/s 115BAA of the Income Tax Act, 1961 from AY2020-21, i.e., from FY 2019-20. As there was no taxable income, income tax payable was nil. Hence the provision of ₹11,074 lakhs has been reversed during the current year.

Emphasis of Matters
Attention is invited to the following matters.

Sr. No.	Auditor's Report	Management's Replies
5.	As stated in Note 12 to the Consolidation Financial Statements, the Holding Company has made provision of ₹. 2,378.02 Lakhs (2019-20 ₹. 1,069.43 Lakhs 2018-19 ₹. 2,551.43) for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable on balances outstanding as on transition date i.e. 01.04.2015 on account of impracticability instead of its origination date.	The company has made provision for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable from the date of applicability of Ind AS i.e. 01.04.2015 on account of impracticability.
6.	Attention is drawn to Note 36(1)(I)(v), the Holding Company has been supplying electricity in the areas previously being serviced by Mula Pravara Electric Co-operative Society (MPECS) and has been using its infrastructure for the said purpose. The matter relating to payment of user charges is under dispute. Pending resolution of the dispute and in the absence of necessary contract, assessment as to applicability of Ind AS 116 has not been made.	As per the MERC Order, the Company is paying monthly user charges for using MPECS infrastructure. The matter relating to payment of user charges is under dispute. In view of the above, the Company has not made IND AS 116 applicable to it.
7.	Attention is invited to Note 36(38) on Group's assessment of its operations following the outbreak of Covid -19.	
	Our opinion is not modified in respect of these matters referred to in (1) to (5) above.	

Information other than the Standalone Financial Statements and Auditors' Report:

Sr. No.	Auditor's Report	Management's Replies
	The Group's Board of Directors is responsible for the Other Information. The Other Information comprises of Director Report but does not include the Consolidated Financial Statements and our auditors' report thereon. Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to communicate the matter to those charged with governance. The Other Information is expected to be made available to us after the date of auditors' report. Hence, we are not commenting in this regard.	No Comments
	Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements The Group's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including other comprehensive income), Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Consolidated Financial Statements that give a true and	No Comments

Sr. No.	Auditor's Report	Management's Replies
	fair view and are free from material misstatement, whether due to fraud or error. In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.	
	Auditors' Responsibilities for the audit of Consolidated Financial Statements Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: • Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.	No Comments

Sr. No.	Auditor's Report	Management's Replies
	• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. • Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Refer "Material Uncertainty related to Going Concern" paragraph above. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern. • Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	
	Other Matters We did not audit the Standalone Financial Statements and other financial information in respect of the subsidiary, whose financial statement includes total assets of ₹. 12.12 Lakhs as at 31st March 2021, total revenue of ₹. 0.70 Lakhs and net cash outflow of ₹. 0.012 Lakhs for the year then ended on that date. These financial statements and other financial information have been audited by other auditor, whose report has been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosure included in respect of the subsidiary and our report in terms of sub-section	

Sr. No.	Auditor's Report	Management's Replies
	(3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.	
	Report on Other Legal and Regulatory Requirements 1. Being a Government Company, in view of the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs (MCA), provisions of section 197 of the Act are not applicable to the Group. 2. As required by section 143(3) of the Act, we report that: i. We have sought and except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above read together with our comments as mentioned in para 3(iv), obtained all the information and explanations, which to the best of our knowledge and belief were, necessary for the purpose of our audit of Consolidated Financial Statements; ii. Except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Group so far as appears from our examination of those books; iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements; iv. Except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended; v. The matters described in the Basis for Qualified Opinion and Emphasis of Matters paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group. vi. Being a Government Company, pursuant to Notification No. F.No. 1/2/2014-CL.V dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section (2) of	Factual

Sr. No.	Auditor's Report	Management's Replies
	section 164 of the Act are not applicable to the Group. vii. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above. viii. With respect to the adequacy of the Internal Financial Controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer our separate Report in **Annexure "A"**. Our Report expresses disclaimer of opinion on the operating effectiveness of the Group's internal control with reference to Consolidated Financial Statements; ix. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: a) Due to possible effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, we are unable to state whether the Group has adequately disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 36(1) to the Consolidated Financial Statements; b) Due to possible effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, we are unable to state whether the Group has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. According to the information and explanations given to us, the Group has not entered into any derivative contracts; c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.	
	3. Report on Directions / Sub-Directions issued by Comptroller and Auditor General of India under sub-section (5) of section 143 of the Act for Holding Company and Subsidiary Company have been given in Annexure C to the Auditor's Report of the Standalone Financial Statements of the Holding Company and Annexure C of Subsidiary Auditor's Report respectively.	

ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT

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

Auditor's Report	Management's Replies
Opinion In conjunction with our audit of the Consolidated Financial Statements of **Maharashtra State Electricity Distribution Company Limited** (hereinafter referred to as 'the Holding Company') as of and for the year ended 31st March, 2021, we have audited the Internal Financial Controls with reference to Consolidated Financial Statements of the Holding Company and its Subsidiary Company, incorporated in India under the Companies Act, 2013 as of that date. **1. Holding Company (Disclaimer of opinion)** According to the information and explanation given to us and based on our audit, as informed to us, during the year, the Holding Company has established a framework for Internal Financial Controls with reference to its Financial Statements based on the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India ('Guidance Note'). In this regard, the Holding Company has identified various risks and controls, on and before 31st March 2021, has also tested them partially for operating effectiveness of such controls. We are informed that the balance risks and controls have been tested post 31st March 2021 for their operative effectiveness. We, however, could only test these risks and controls post 31st March 2021 for both its design and operating effectiveness. In the absence of testing of the design of all documented risks and controls and their operating effectiveness as on 31st March 2021, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding Company had adequate internal financial control over financial reporting and whether such internal financial controls with reference to financial statements were operating effectively as on 31st March 2021. Accordingly, we do not express any opinion on the adequacy of the Internal Financial Controls with reference to financial statements and the operating effectiveness thereof as on 31st March 2021. **2. Subsidiary Company** In the opinion of the Subsidiary Company auditor, the Subsidiary 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial Control stated in the Guidance Note on audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.	No Comments

Auditor's Report	Management's Replies
Management's Responsibility for Internal Financial Controls The respective Companies' Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements, based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').	No Comments
Auditors' Responsibility Our responsibility is to express an opinion on Internal Financial Controls with reference to Consolidated Financial Statements 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 Act, to the extent applicable to an audit of Internal Financial Controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by auditor of Subsidiary Company in terms of his report referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls with reference to Consolidated Financial Statements.	No Comments

Auditor's Report	Management's Replies
Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements A Group's Internal Financial Controls with reference to Consolidated Financial Statements 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 Group's Internal Financial Controls with reference to Consolidated Financial Statements includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the Group; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.	No Comments
Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.	
Other Matters Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements insofar as it relates to its Subsidiary, which is incorporated in India is based solely on the corresponding report of the auditor of Subsidiary.	

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) REM) WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of consolidated financial statements of **Maharashtra State Electricity Distribution Company Limited** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of lie Act. This is stated to have been done by them vide their Audit Report dated **24 November 2021**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Maharashtra State Electricity Distribution Company Limited** for the year ended 31 March 2021 under section 143(6)(a) read with the section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of **Maharashtra State Electricity Distribution Company Limited** but did not conduct supplementary audit of the financial statements of **Aurangabad Power Company Limited** for the year ended on that date. This supplementary audit has been carried out Independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under Section 143(6)(h) of the Act.

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

(R. Thiruppathi Venkatasamy)
Accountant General (Audit)--II
Maharashtra

Date:21 /03/2022
Place: Nagpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MAHARASTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the Consolidated Financial Statements of **Maharashtra State Electricity Distribution Company Limited ("the Holding Company")** and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Qualified Opinion paragraph below (quantified to the extent possible), the aforesaid Consolidated Financial Statements, read together with the matters described in the 'Emphasis of Matter' paragraph, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs (financial position) of the Group as at 31st March, 2021, its Consolidated loss, total comprehensive loss (financial performance), Consolidated statement of changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matters described in **paragraphs 1 to 12** below. The effects of these matters (whether quantified or otherwise) on the Consolidated Financial Statements, individually or in aggregate, that are unidentified in some cases due to inability to obtain sufficient and appropriate audit evidence, are material.

1. **Property, Plant & Equipment (PPE), Depreciation and Impairment:**

   a) As mentioned in Note 36(5) to the Consolidated Financial Statements, due to non-availability of proper and complete records relating to date of capitalisation of PPE and Work

Completion Reports in the Holding Company, we have come across instances of non-capitalisation and/or delayed capitalisation (which is not in accordance with requirements of Ind AS 16 ‘Property Plant and Equipment’), with corresponding impact on depreciation. In the absence of proper audit trail, we are unable to quantify the impact arising on account of non-capitalisation / delayed capitalization, resultant depreciation, and consequential impact, if any, on the Consolidated Financial Statements for the year under audit.

b) During the year, the Holding Company has capitalised borrowing costs amounting to ₹. 1097.45 Lakhs (2019-20 ₹. 239.07 Lakhs, 2018-19 ₹. 755.63 Lakhs) (refer Note 33) as part of cost of PPE. Capitalisation of borrowing costs has been done without identifying qualifying assets, without considering the principles of allocating interest on general and specific borrowings, without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers.

Further, the Holding Company has capitalised employee cost and office & administrative expenses of ₹. 39,374.19 Lakhs (2019-20: ₹. 43,158.74 Lakhs 2018-19 ₹. 48,309.12 Lakhs) (Refer Note 30 & 32). The above expenses represent 15% of cost of additions to CWIP [Refer accounting policies on Property, Plant and Equipment as mentioned in Note 2(8)]. However, the Holding Company does not have a practice of specifically identifying such expenses attributable to additions to CWIP/PPE. Capitalisation of these costs has been done without considering interrupted projects, without considering opening balance of Capital Work in Progress (CWIP) and after considering the overall project costs on gross basis without eliminating the government grants and contribution made by consumers.

Such capitalisation of interest, employee cost and office and administrative expenses is not in accordance with requirements of Ind AS 23 ‘Borrowing Costs’ read with Ind AS 16 ‘Property, Plant & Equipment’. In the absence of sufficient and appropriate audit evidence, we are not in a position to comment on the correctness of the amounts capitalized as above.

Further, employee costs, office and administrative expenses and borrowing costs have also been capitalised in earlier years on similar lines. As a result, the Property, Plant and Equipment are overstated by the amount capitalised and depreciation has also been overcharged. The impact of the same, however, cannot be ascertained and quantified.

c) No physical verification of Property, Plant and Equipment of holding company was conducted during the year by the management. As a result, the possible impact, if any, on the Consolidated Financial Sstatements’, based on outcome of such physical verification, if it had been conducted, could not be ascertained.

d) In the Holding Company, Capital Work in Progress includes Project Stock amounting to ₹. 3,11,305.18 Lakhs (2019-20 ₹. 3,33,215.39 Lakhs, 2018- 19 ₹. 179,794.89 Lakhs) for which complete details as regards to movement during the year and the status as at 31st March 2021 for various projects has not been made available. In the absence of these details, we are unable to comment upon the consequential impact, if any, on the Consolidated Financial Statements.

e) As stated in Note 36(12), the Holding Company has carried out review of its assets with respect to economic performance. However detailed evaluation/working as to whether any impairment is warranted has not been made available to us. In the absence of such evaluation/working, we are unable to comment about the impact, if any, arising on account of impairment, as required to be provided under Ind AS 36 'Impairment of Assets'.

2. Leases:

a) As stated in Note no. 36(32)(ii), while recognising the lease assets (Right of Use Asset) and lease liabilities, the Holding Company has excluded leases with lease rent payment of less than ₹. 10.00 Lakhs per month which is not in accordance with recognition criteria as specified in Ind AS 116 on Leases. In the absence of full details the impact of same on the Consolidated Financial Statements cannot be ascertained.

b) In the absence of availability of adequate details, disclosures as required under Ind AS 116 have not been made

3. Inventories other than Project Stock:

The Holding Company has conducted physical verification of inventories at various locations. The Holding Company has made provision for slow moving/ non-moving stock/ obsolete stock of ₹. 4,926.31 Lakhs (F.Y 2019-20 ₹. 2,444.79 Lakhs, F.Y 2018-19 ₹. 2,590.22 Lakhs) based on the physical verification report. In the absence of breakup of slow moving / non-moving/ obsolete stock duly reconciled with the ageing report from the system we are unable to comment on the adequacy of the provision made.

4. Expected Credit Loss (ECL) on Trade Receivables:

As stated in Note No. 36(6)(II)(i)(a) to the Consolidated Financial Statements, the Holding Company has made provision for expected credit loss under Ind AS 109 'Financial Instruments' in respect of trade receivables. In this regard attention is drawn to the following:

a) The Holding Company has made provision for ECL of ₹. 651.77 Lakhs (Computed at the normal rate applied to Trade Receivables) (2019-20 ₹. 174.60, 2018-19 ₹. Nil) instead of providing for the entire amount of ₹. 16,294.16 Lakhs (2019-20 ₹. 13,127.71 Lakhs 2018-19 ₹.11,952.41) receivable from Spanco Nagpur Discom Limited, the Distribution Franchisee (Refer Note No. 36(9)(b))

b) The Holding Company has not considered trade receivables amounting to ₹. 2,34,920.00 Lakhs (2019-20 ₹. 2,34,920.00 Lakhs, 2018-19 ₹.2,34,920 Lakhs) due from Mula Pravara Electric Co-op. Society Limited (MPECS).

c) The Holding Company has not considered 100% ECL provision on the amount of interest (amount not ascertained) due from consumers, in whose case subsequent recognition of interest has been discontinued, following the accounting policy in respect of recognition of interest as enunciated in Note 2(5)(a)(v).

d) Note36(6)(II)(i)(a) relating to movement in ECL during the year. The Management of the Holding Company has made provision for ECL on the basis of a provision matrix for various categories of consumers. Considering that there is a substantial increase in the trade receivables as a result of slow recovery following COVID 19 and that substantial amounts have been written off as bad debts in earlier years, we are unable to comment on the basis adopted for providing ECL and adequacy thereof.

In the absence of audit trail / adequate details in respect of matters stated in paragraphs above, we are not in a position to comment on the consequential impact of the same on the Consolidated Financial Statements of the Company for the year under audit.

5. Unexplained Balances and Classification & Presentation thereof:

a) The necessary data/ details pertaining to following accounts of the Holding Company were not made available for verification during the course of audit.

(₹. in Lakhs)

General Ledger Code	Account Description	Assets /(Liabilities)
10303011	Misc. Deposit from Consumer	(1662.23)
10303013	Other Miscellaneous Deposits	(1275.05)
10303015	Deposits from employees	(1.30)
10303019	Security Deposit Payable to Consumers	(5568.94)
10303020	Amount under Saubhagya Scheme	(0.52)
10501002	Liability for amount payable to licensees	(471.74)
10501007	SD from Vendor capital	(1,289.32)
10501008	EMD received from supplier & contractor-Capital	(762.35)
10501009	Security Deposits from vendor O&M	(12,245.03)
10501010	EMD received from supplier & contractors - O&M	(5,169.32)
10501011	Security Deposits – Others	(766.02)
10501012	Refund of amount of Non-DDF Scheme	(10,020.74)
10501014	Retention money from suppliers, contractors	(2,11,211.45)
10501015	EMD received from Customer	(114.07)
10501017	SD received from Customer	(191.13)
10700501	Deposit for temporary service connections	(1,954.24)
10900605	Dishonour cheque feed to consumer	(77.63)
10902001	Liability for Supplies/ Works & Maintenance Material Vendor	(82,733.29)
10902002	Payable to FI Vendor	(4,127.76)
10902004	Payable to Service Vendor	(29.19)
10902009	Payable to Employee as Vendor	(104.51)
10902103	Liability for expenses	(74,163.39)
10902107	Liabilities towards Employee Claims	(922.26)
10902108	Deposits from Employee	(47.04)
10902111	Provision for Expenses O&M	(9,465.49)
10902310	Deduction from salary payable to outside party	878.89
11000002	Provision for liability for expenses incurred by staff	(756.75)
10902104	Salary Payable	(42.56)
10902307	Life insurance Premium recovered	(25.41)
10902349	Recovery from Employee Salary payable to out side party	(5,681.17)
10902316	Welfare fund contribution recovered from employ under act	(0.94)

General Ledger Code	Account Description	Assets /(Liabilities)
10902008	Payable to Licensees	(0.13)
10902116	Provision for Power Purchase Expenses	(1,61,449.21)
20600002	Advances to Suppliers/Contractor- Others	34,246.13
20600103	Other Deposits	2,284.09
20901022	Dues towards theft of	(2,520.47)
24000008	T.A. Advance	44.16
24000012	Medical Advances	383.12
24000013	L. T. C. Advances	7.19
24000017	Advances to ITI Training Fee	55.00
24100006	Interest accrued and not due on staff loans	21.92
24100007	Amount receivable from employees*	438.68
24100008	Amount receivable from ex- employees*	16.07
24100010	Amounts receivables from other State Electricity Boards*	9,429.45
24100018	Advance to prospective employees	18.49
24100023	Short remittance by collection agency & employee / Ex-employee*	668.78
24100024	Receivable from supplier contractor	76.82
20600205	Loans and Advances to Licensees*	31.34
20901513	Receivable from Scrap Customer	241.47
20901510	Sundry Debtor for sale in bulk-interstate	(18,233.64)

* These balances have been fully provided in the books.

In the absence of appropriate explaination/reconciliation, we are unable to comment upon accuracy of these balances.

The effect of the adjustments, if any, arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write back thereof has not been ascertained.

b) The balances in various asset and liability accounts of the Holding Company include:

(i) balances carried forward since trifurcation period

(ii) balances uploaded on migration to SAP software,

for which adequate details are not available and as such we are unable to comment on such balances and the impact, if any, on the Consolidated Financial Statements.

c) Further, in absence of necessary data/ details, we are unable to comment whether the classification of assets and liabilities of the Holding Company in to Financial and Non-Financial, grossing up of assets and liabilities and their bifurcation in to Current and Non-Current are in accordance with the requirements of Ind AS 1 Presentation of Financial Statements, Ind AS 32 'Financial Instruments: Presentation' and Schedule – III to the Act.

d) The Holding Company has various Purchase Orders (PO), which have not been executed as on balance sheet date. The Holding Company has not mapped the Open Purchase Orders relating to capital items with capital advances and capital commitments disclosure. In the absence of such mapping, we are unable to comment on the accuracy of the disclosure made in Note 36(1)(III) towards capital and other commitments.

6. External Balance Confirmations/ Reconciliations:

a) Attention is drawn to Note 36(4) to Consolidated Financial Statements - Balances of loans and advances, various other debit/credit balances and dues from government of the Holding Company are subject to confirmations, reconciliations and consequential adjustments thereof. The system of third-party balance confirmations followed by the Holding Company needs to be strengthened further. In the absence of proper records / details, we are unable to ascertain the effect of the adjustments, if any, arising from reconciliations and settlement of old dues, possible loss / profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.

b) Attention is drawn to Note 11 and Note 36(4) to the Consolidated Financial Statements regarding non-availability of:

(i) Balance confirmations from Post Offices of the Holding Company

The details in respect of balances with Post Office as per books of account for which confirmations are not available are as under:

(₹ in Lakhs)

FY	Balances with Post Office	
	Total Debit balances	Total Credit balances
2020-2021	33,277.31	23,215.56
2019-2020	36,410.80	26,313.08
2018-2019	28,480.38	18,936.05

(ii) Reconciliation of Post Offices for all circles of the Holding Company

In the absence of availability of balance confirmations/reconciliations, we are unable to comment on the consequential impact, if any, of the same on the Consolidated Financial Statements for the year under audit.

c) As stated in Note 36(21) to the Consolidated Financial Statements, there is a difference of ₹. 9,71,175Lakhs (2019-20 ₹. 4,27,616.00 Lakhs, 2018-19 ₹. 2,25,504 lakhs) in balances receivable/payable as appearing in the books of account of the Holding Company and the corresponding balances in the books of the group companies.

In the absence of reconciliation, we are unable to comment on the impact thereof, if any, on the Consolidated Financial Statements.

d) In respect of variation of ₹. 607.67 Lakhs in the balance as per the books of the Holding Company and balance as appearing in the books of Contributory Provident Fund Trust (CPF) no details/ explanation has been provided. In the absence of adequate details, we are unable to comment on the consequential impact on the statement of profit and loss account and retained earnings.

7. Refund of Regulatory Liability Charges:

As stated in Note no. 36(28), during FY 2003-04 to FY 2006-07, the Holding Company had collected Regulatory Liability charges from the consumers. MERC had passed an order to refund an amount of ₹. 3,22,700 Lakhs (out of the amount collected) to the consumers. The Holding Company has refunded ₹. 3,12,273 lakhs upto 31.03.2021. (2019-20 ₹. 3,12,394 Lakhs, 2018-19 ₹. 3,12,217 Lakhs). The Holding Company has not made provision towards the balance amount of ₹. 10,427 lakhs (2019-20 ₹. 10,306 Lakhs, 2018-19 PY ₹. 10,483 Lakhs) refundable to the consumers.

8. Government Grants and Consumer Contributions:

a) As per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance', government grant for capital assets is recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortises the related costs of such capital asset. The Holding Company assumes that all grants received are utilised and the assets are capitalised in the same year. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of grants, we are unable to comment on the consequential impact on the Consolidated Financial Statements.

b) Consumer contribution for capital assets is recognised in the Statement of Profit and Loss on a systematic basis over the period, in which the entity amortises the related costs of such capital assets. The Holding Company assumes that all contributions received are utilised and the related assets are capitalised in the same year. Due to non-availability of sufficient and appropriate audit evidence with regard to utilization of consumer contribution, we are unable to comment on the consequential impact on the Consolidated Financial Statements.

9. The contingent liabilities as disclosed in Note No. 36(1) is based on information as provided and confirmed by the management of the Holding Company. In the absence of adequate documentation by the Holding Company and adequate audit trail, we are unable to comment on the completeness of the disclosure of the contingent liabilities and whether any additional provision is required to be made in the books of the Holding Company. The consequential impact on the Consolidated Statement of Profit and Loss and retained earnings is not ascertainable.

10. Employee Benefit Expenses:

The Holding Company has not carried out any actuarial valuation for interest shortfall on Post Employee Benefits - Defined Benefit Plan - Contributory Provident Fund (CPF) as per Ind AS 19 – Employee Benefits. The fund is administered by the Trustees of the Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). In the absence of any such valuation, we are not able to comment on the impact, if any, on the Consolidated Statement of Profit and Loss for the year and Retained earnings.

11. Non provision of various expenses:

a) As mentioned in Note 36(1)(I)(iii)(B)(a)to(e) to the Consolidated Financial Statements, on account of ambiguity in the method of computing the amount payable, which matter is pending before Supreme Court, the Holding Company has not provided for the liability towards compensation for incremental coal cost pass through pursuant to New Coal Distribution Policy

(NCDP) payable to various vendors amounting to approx. ₹. 14,44,604.59 lakhs (2019-20 ₹. 7,58,385.00 lakhs 2018-19 ₹. 4,42,729.00 Lakhs).

b) As mentioned in Note 36(1)(I)(iii)(A)(c) to the Consolidated Financial Statements, the Holding Company has not provided for liability towards fixed charges payable to Ratnagiri Gas Power Private Limited (RGGPL) amounting to ₹. 4,32,768.00 lakhs (2019-20 ₹. 4,22,856.23 lakhs 2018-19 ₹. 3,51,004.00 Lakhs). Sum of ₹. 18,101.07 Lakhs (2019-20 ₹. 18,101.07 Lakhs, 2018-19 ₹. 18,101.07 lakhs) paid to RGPPL has been shown as advances.

c) As mentioned in Note 36(9)(b) to the Consolidated Financial Statements, the Holding Company has not made provision of ₹. 21,697.25 Lakhs (F.Y 2019-20 ₹. 18,223.71 Lakhs 2018-19 ₹.11,435 credit) for amount payable to distribution franchisee, Spanco Nagpur Discom Limited on termination.

12. Other Items:

a) As stated in Note 36(27) to Consolidated Financial Statements, every year the Holding Company is required to invest in specified securities an amount equivalent to contingency reserve created during the preceding year as specified in the Maharashtra Electricity Regulatory Commission (MERC) Guidelines. The Holding Company has not made any earmarked investments during the year. The total amount invested in earmarked investments as at 31st March 2021 is ₹. 31,339.78 Lakhs (2019-20 ₹. 31,369.82 Lakhs 2018-19 ₹. 18,572.55 Lakhs) as against the contingency reserve of ₹. 1,25,732.00 (2019-20 ₹. 1,09,976 Lakhs, 2018-19 ₹. 95,700.00 Lakhs).

b) The Holding Company has shown a sum of ₹. 1,89,619.12 Lakhs (2019-20 ₹. 2,04,802.10 Lakhs 2018-19 ₹. 1,22,153.35 Lakhs) and ₹.82,733.29 Lakhs (2019-20 ₹. 53,708.53 Lakhs, 2018-19 ₹. 70,207.98 Lakhs) as liabilities towards Clearing Goods Receipt Invoice Receipt (GRIR) and Liability for supplier Work & Maintenance respectively. These balances are net of debit balances. In the absence of requisite data and audit trail, we are not in position to ascertain the impact on the Consolidated Financial Statements.

c) Attention is drawn to Note 36(13) to the Consolidated Financial Statements regarding non identification of creditors as to their status under Micro, Small and Medium Scale Enterprises (MSME) Act and provision for interest payable to such parties. The liability on this account, if any, has not been quantified by the Holding Company. As such, we are unable to ascertain the interest provision (if any) required and its consequential impact on the loss for the year under audit. Due to non-identification of MSMED parties, the disclosures, as required by the relevant Statute have not been made by the Company.

d) There is a difference in balance of security deposit from consumers as per books of account and IT database of the Holding Company as mentioned below [Refer Note No. 36(6)(II)(i)(a)(c)].

(₹ in Lakhs)

Particulars	Balance as on 31.03.2021 as per books of account (A)	Balance as on 31.03.2021 as per IT Database (B)	Differences (A)- (B)
Security deposits	8,53,102.56	8,44,713.04	8,389.52

The Holding Company is in the process of reconciling the said differences.

e) The Holding Company has availed a loan (sanctioned amount ₹. 8,50,000.00 Lakhs – amount outstanding as at 31st March 2021 ₹. 7,18,750.00 Lakhs (2019-20 ₹. 7,51,250.00 Lakhs 2018-19 ₹. 8,08,125.00 Lakhs) from Rural Electrification Corporation Limited (RECL). The said loan is guaranteed by the Maharashtra State Electricity Board Holding Company Limited (Holding Company) for which no amount has been charged by the Holding Company. The financial guarantee has, however, not been fair valued as required under Ind AS 109. As a result, the Consolidated Loss for the year is lower by ₹. 8,144.02 Lakhs and the accumulated balance in retained earnings is higher by ₹. 22,781.49 Lakhs as at 31st March 2021.

Various qualifications listed in paragraphs 1 to 12 above will have a consequential impact on provision for Income Tax, Regulatory Assets and Deferred Tax. Impact of the same is not ascertainable.

Our report for the preceding year was also modified in relation to paragraph no. 1(a to d), 2(a to b), 4(a to e), 5(a to d), 6(a to c), 7, 8(a to b), 9, 11(a to c), 12(a to e).

The effects of the matters described above, which could be reasonably determined/ quantified, on the elements of the accompanying Consolidated Financial Statements are tabulated as under:-

Impact on Statement of Consolidated Profit & Loss

(₹ in Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2020-21 Expenses/ (income)
1	7	Non provision of expenses - RLC	10,427
2	11	Non provision of expenses - NCDP	14,44,604.59
3	11	Non provision of expenses - fixed charges	4,32,768
4	11	Non provision of expenses- DF liability	21,045.25
5	12	Non-Provision of Corporate Guarantee	8,144.02
6	12	Security deposits from Consumers	(8,389.52)
		Total	19,08,599.34

Impact on Consolidated Balance Sheet

(₹ in Lakhs)

Sr. No	Relevant paragraph	Particulars	FY 2020-21 Asset/ (Liability)
1	7	Current financial liabilities – Regulatory Liabilities	(10,427)
2	11	Non provision of expenses - Coal pass through	(14,44,604.59)
3	11	Non provision of expenses – Fixed charges	(4,32,768)
4	11	Non provision of expenses – DF liability	(21,045.25)
5	12	Security deposits from Consumers	8,389.52
6	12	Other Equity -Corporate Guarantee	(8,144.02)
7		Retained Earning	(19,23,236.81)

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our Report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on Consolidated Financial Statements.

Material Uncertainty related to Going Concern

As stated in Note 36(2), the accumulated losses of the Holding Company as at 31st March, 2021 are ₹.25,32,626.94 Lakhs (2019-20 ₹. 24,01,011.19 Lakhs 2018-19 ₹. 24,59,459.60 Lakhs) which exceed 50% of the net worth of the Holding Company. The current liabilities as at 31st March 2021 are in excess of its current assets. Considering the fact that Government of Maharashtra is expected to infuse additional equity funds, as and when required, the Standalone Financial Statements of the Holding Company have been drawn up on going concern basis. We have relied on the management assessment and our audit report is not modified in this regard.

The Subsidiary has negative net worth, negative operating cash flows and has suffered losses in current year and earlier years. These events indicate the existence of a material uncertainty that may cast significant doubt on the Subsidiary's ability to continue as a going concern, and therefore it may be unable to discharge its liabilities in full in the ordinary course of business/activities.

Emphasis of Matters

Attention is invited to the following matters:

1. Attention is drawn to Note 36(1)(iii)(C)(a) relating to accounting in respect of Delayed Payment Surcharge (DPS). There is a variation in the method of computing interest as adopted by the Holding Company and as adopted by Maharashtra State Power Generation Corporation Limited (MSPGCL). The Holding Company has accounted for Delayed Payment Surcharge by apportioning the payments made towards principal outstanding as against apportionment towards interest by MSPGCL. Besides there are some billing differences.
   The amount to the extent disputed has been disclosed as contingent liability.
2. Attention is drawn to Note 36(1)(iii)(C)(b) in respect of Holding Company, for DPS relating to Maharashtra State Electricity Transmission Company Limited (MSETCL) on amount of principal due as at 31st July 2015 being claimed by MSETCL despite direction for waiver by MSEB Holding Company. Besides, there are other differences which are pending resolution. The amount to the extent disputed has been disclosed as contingent liability.
3. Attention is drawn to Note 36(1) with regards to the Contingent Liabilities, which are significant in relation to the net worth of the Holding Company at the year end.

4. As stated in Note No. 36(11)(1)(iii), the Holding Company has reversed Income Tax provision of ₹.11,074 lakhs pertaining to FY 2019-20 based on the return of income filed for the said year considering the option under Section 115BAA under the Income Tax Act,1961.

5. As stated in Note 12 to the Consolidation Financial Statements, the Holding Company has made provision of ₹. 2,378.02 Lakhs (2019-20 ₹. 1,069.43 Lakhs 2018-19 ₹. 2,551.43) for Expected Credit Loss (Time Loss) under Ind AS 109 on other loans receivable on balances outstanding as on transition date i.e. 01.04.2015 on account of impracticability instead of its origination date.

6. Attention is drawn to Note 36(1)(I)(v), the Holding Company has been supplying electricity in the areas previously being serviced by Mula Pravara Electric Co-operative Society (MPECS) and has been using its infrastructure for the said purpose. The matter relating to payment of user charges is under dispute. Pending resolution of the dispute and in the absence of necessary contract, assessment as to applicability of Ind AS 116 has not been made.

7. Attention is invited to Note 36(38) on Group's assessment of its operations following the outbreak of Covid -19.

Our opinion is not modified in respect of these matters referred to in (1) to (7) above.

Information other than the Consolidated Financial Statements and Auditors' Report:

The Group's Board of Directors is responsible for the Other Information. The Other Information comprises of Director Report but does not include the Consolidated Financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to communicate the matter to those charged with governance.

The Other Information is expected to be made available to us after the date of auditors' report. Hence, we are not commenting in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including other comprehensive income), Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Refer "Material Uncertainty related to Going Concern" paragraph above. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

We did not audit the Standalone Financial Statements and other financial information in respect of the subsidiary, whose financial statement includes total assets of ₹. 12.12 Lakhs as at 31st March 2021, total revenue of ₹. 0.70 Lakhs and net cash outflow of ₹. 0.012 Lakhs for the year then ended on that date. These financial statements and other financial information have been audited by other auditor, whose report has been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosure included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

Report on Other Legal and Regulatory Requirements

1. Being a Government Company, in view of the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs (MCA), provisions of section 197 of the Act are not applicable to the Group.
2. As required by section 143(3) of the Act, we report that:
   i. We have sought and except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above read together with our comments as mentioned in para 3(iv), obtained all the information and explanations, which to the best of our knowledge and belief were, necessary for the purpose of our audit of Consolidated Financial Statements;
   ii. Except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Group so far as appears from our examination of those books;

iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

iv. Except for the effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended;

v. The matters described in the Basis for Qualified Opinion and Emphasis of Matters paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group.

vi. Being a Government Company, pursuant to Notification No. F.No. 1/2/2014-CL.V dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section (2) of section 164 of the Act are not applicable to the Group.

vii. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

viii. With respect to the adequacy of the Internal Financial Controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer our separate Report in Annexure "A". Our Report expresses disclaimer of opinion on the operating effectiveness of the Group's internal control with reference to Consolidated Financial Statements;

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

   a) Due to possible effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, we are unable to state whether the Group has adequately disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 36(1) to the Consolidated Financial Statements;

   b) Due to possible effects of the matters (whether quantified or otherwise) described in the Basis for Qualified Opinion paragraph above, we are unable to state whether the Group has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. According to the information and explanations given to us, the Group has not entered into any derivative contracts;

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

3. Report on Directions / Sub-Directions issued by Comptroller and Auditor General of India under sub-section (5) of section 143 of the Act for Holding Company and Subsidiary Company have

been given in Annexure C to the Auditor's Report of the Standalone Financial Statements of the Holding Company and Annexure C of Subsidiary Auditor's Report respectively.

For C N K & Associates LLP	**For Shah & Taparia**	**For GMJ & Co**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN-101961W/W-100036	FRN-109463W	FRN - 103429W
Sd/-	**Sd/-**	**Sd/-**
CA. Diwakar Sapre	**CA. Bharat Joshi**	**CA. Atul Jain**
Partner	Partner	Partner
M. No. 040740	M. No. 130863	M. No. 037097
UDIN:21040740AAAAEE9547	UDIN:21130863AAAAMK9746	UDIN:21037097AAAAGV6980

Place: Mumbai
Date: 24th November 2021

Annexure A
TO THE INDEPENDENT AUDITORS REPORTS

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

Opinion

In conjunction with our audit of the Consolidated Financial Statements of **Maharashtra State Electricity Distribution Company Limited** (hereinafter referred to as 'the Holding Company') as of and for the year ended 31st March, 2021, we have audited the Internal Financial Controls with reference to Consolidated Financial Statements of the Holding Company and its Subsidiary Company, incorporated in India under the Companies Act, 2013 as of that date.

1. Holding Company (Disclaimer of opinion)

According to the information and explanation given to us and based on our audit, as informed to us, during the year, the Holding Company has established a framework for Internal Financial Controls with reference to its Financial Statements based on the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India ('Guidance Note'). In this regard, the Holding Company has identified various risks and controls, on and before 31st March 2021, has also tested them partially for operating effectiveness of such controls. We are informed that the balance risks and controls have been tested post 31st March 2021 for their operative effectiveness. We, however, could only test these risks and controls post 31st March 2021 for both its design and operating effectiveness. In the absence of testing of the design of all documented risks and controls and their operating effectiveness as on 31st March 2021, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding Company had adequate internal financial control over financial reporting and whether such internal financial controls with reference to financial statements were operating effectively as on 31st March 2021. Accordingly, we do not express any opinion on the adequacy of the Internal Financial Controls with reference to financial statements and the operating effectiveness thereof as on 31st March 2021.

2. Subsidiary Company

In the opinion of the Subsidiary Company auditor, the Subsidiary 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial Control stated in the Guidance Note on audit of Internal Financial controls

Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The respective Companies' Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements, based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on Internal Financial Controls with reference to Consolidated Financial Statements 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 Act, to the extent applicable to an audit of Internal Financial Controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by auditor of Subsidiary Company in terms of his report referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Group's Internal Financial Controls with reference to Consolidated Financial Statements 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 Group's Internal Financial Controls with reference to Consolidated Financial Statements includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the Group;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the Group; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

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

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements insofar as it relates to its Subsidiary, which is incorporated in India is based solely on the corresponding report of the auditor of Subsidiary.

For C N K & Associates LLP Chartered Accountants FRN-101961W/W-100036	**For Shah & Taparia** Chartered Accountants FRN-109463W	**For GMJ & Co** Chartered Accountants FRN - 103429W
Sd/- **CA. Diwakar Sapre** Partner M. No. 040740 UDIN:21040740AAAAEE9547	**Sd/-** **CA. Bharat Joshi** Partner M. No. 130863 UDIN:21130863AAAAMK9746	**Sd/-** **CA. Atul Jain** Partner M. No. 037097 UDIN:21037097AAAAGV6980

Place: Mumbai
Date: 24th November 2021

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT MAR 31, 2021

(₹. in Lakhs)

PARTICULARS			Note	As at 31 Mar 21	As at 31 Mar 20	As at 01 Apr 19
I	ASSETS					
1	NON-CURRENT ASSETS					
	(a)	Property, plant and equipment	3	63,56,730.81	62,40,593.96	60,96,496.40
	(b)	Right to use of asset	3	7,712.87	11,569.31	-
	(c)	Capital work-in-progress		3,86,827.82	4,73,388.67	3,27,629.16
	(d)	Intangible assets	3A	1,121.59	206.05	441.31
	(e)	Intangible assets under development		-	1,153.86	1,153.86
	(f)	Financial assets				
		(i) Investments	4	31,339.78	31,369.80	18,572.57
		(ii) Loans	5	-	-	-
		(iii) Other financial assets	6	87,881.30	83,367.69	72,885.30
	(g)	Non Current Tax Assets (Net)	7	9,060.75	5,132.99	5,114.82
	(h)	Other non-current assets	8	31,363.45	38,583.53	42,972.05
	TOTAL NON-CURRENT ASSETS			**69,12,038.37**	**68,85,365.86**	**65,65,265.47**
2	CURRENT ASSETS					
	(a)	Inventories	9	35,460.57	51,059.39	37,096.72
	(b)	Financial assets				
		(i) Trade receivables	10	48,97,471.73	39,45,989.13	30,06,095.48
		(ii) Cash and Bank Balances	11	78,097.62	2,37,641.09	1,22,619.45
		(iii) Loan	12	31,128.73	33,657.08	34,798.96
		(iv) Other financial assets	13	7,40,568.54	7,93,322.04	9,90,954.58
	(c)	Other current assets	14	28,172.51	20,131.88	19,516.65
	TOTAL CURRENT ASSETS			**58,10,899.70**	**50,81,800.61**	**42,11,081.84**
	TOTAL ASSETS BEFORE REGULATORY ASSETS			**1,27,22,938.07**	**1,19,67,166.47**	**1,07,76,347.31**
	Regulatory Assets		36(7)	**19,07,867.63**	**16,16,948.63**	**9,15,873.63**
	TOTAL ASSETS AFTER REGULATORY ASSETS			**1,46,30,805.70**	**1,35,84,115.10**	**1,16,92,220.94**
I	EQUITY & LIABILITIES					
1	EQUITY					
	(a)	Equity Share Capital	15	47,72,398.49	47,72,398.49	47,61,431.99
	(b)	Other Equity	16	(24,74,926.95)	(23,43,311.20)	(24,01,759.60)
	TOTAL EQUITY			**22,97,471.54**	**24,29,087.29**	**23,59,672.39**
2	NON-CURRENT LIABILITIES					
	(a)	Financial Liabilities				
		(i) Borrowings	17	27,36,823.11	28,75,676.27	23,17,618.56
		(ii) Other financial liabilities	18	9,30,668.46	8,93,381.49	9,24,097.67
	(b)	Provisions	19	4,39,688.58	4,14,559.27	3,67,668.24
	(c)	Other non-current liabilities	20	9,59,415.18	9,36,164.81	9,18,906.35
	TOTAL NON-CURRENT LIABILITIES			**50,66,595.33**	**51,19,781.84**	**45,28,290.82**
3	CURRENT LIABILITIES					
	(a)	Financial liabilities				
		(i) Borrowings	21	2,85,852.18	4,97,935.51	4,57,853.51
		(ii) Trade payables				
		Micro, Small and Medium Enterprises	36(13)	-	-	-
		Others	22	32,11,946.34	20,38,126.61	17,76,038.40
		(iii) Other financial liabilities	23	30,16,583.51	25,22,833.36	18,61,267.25
	(b)	Provisions	24	5,07,734.40	6,18,672.14	4,27,975.09
	(c)	Other Current Liabilities	25	2,44,622.40	3,46,472.65	2,56,187.36
	(d)	Current Tax Liabilities (Net)	26	-	11,205.70	24,936.12
	TOTAL CURRENT LIABILITIES			**72,66,738.83**	**60,35,245.97**	**48,04,257.73**
	TOTAL LIABILITIES			**1,23,33,334.16**	**1,11,55,027.81**	**93,32,548.55**
	TOTAL EQUITY AND LIABILITIES			**1,46,30,805.70**	**1,35,84,115.10**	**1,16,92,220.94**

See accompanying notes to the Financial Statement Note 1-36

As per our Report of even date	For and on behalf of the Board	
For C N K & Associates LLP Chartered Accountants (FRN : 101961W/W100036)		
Sd/- **(CA Diwakar Sapre)** Partner (ICAI M.No. 040740)	**Sd/-** **Ravindra Sawant** Director (Finance) DIN No.08778424	**Sd/-** **Vijay Singhal (IAS)** Chairman and Managing Director DIN No.05169675
For Shah & Taparia Chartered Accountants (FRN : 109463W)		
Sd/- **(CA Bharat Joshi)** Partner (ICAI M.No.130863)	**Sd/-** **Swati Vyavahare** Executive Director (F &A)	**Sd/-** **Anjali Gudekar** Company Secretary M.No. ACS19937
For GMJ & Co Chartered Accountants (FRN : 103429W)		
Sd/- **(CA Atul Jain)** Partner (ICAI M.No.037097)	**Sd/-** **Neeta Vernekar** Chief General Manager (CA) (In Charge)	
Place : Mumbai Date : 24.11.2021	Place : Mumbai Date : 24.11.2021	

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MAR 31, 2021

(₹. in Lakhs)

PARTICULARS	Note No.	FOR THE YEAR ENDED 31-Mar-2021	FOR THE YEAR ENDED 31-Mar-2020
Revenue			
Revenue from Operations	**27**	73,71,183.42	73,76,144.40
Other Income	**28**	5,76,311.84	8,44,182.28
Total Revenue		**79,47,495.26**	**82,20,326.68**
Expenses:			
Purchase of Power	**29**	62,65,139.70	67,49,920.12
Employee Benefit Expenses	**30**	5,37,239.39	5,18,557.02
Repairs and maintenance	**31**	1,12,765.63	74,891.79
Administration and General Expenses	**32**	66,179.39	65,971.63
Finance Expenses	**33**	5,72,210.79	4,50,641.80
Depreciation and Amortisation	**34**	3,39,454.07	3,06,907.32
Other Expenses	**35**	4,88,658.69	6,72,876.39
Total Expenses		**83,81,647.66**	**88,39,766.07**
Profit/(loss) Before Regulatory Income / (Expense) & Tax		**(4,34,152.40)**	**(6,19,439.39)**
Add / (Less): Regulatory Income / (Expense)	**36 (7)**	**2,90,919.00**	**7,01,075.00**
Profit/(loss) Before Tax		**(1,43,233.40)**	**81,635.61**
Tax expense:			
Current Tax			
Current Year	**36(11)**	-	13,180.42
Earlier Year	**36(11)**	(11,074.30)	-
Deferred Tax	**36(11)**	-	-
Total Tax Expenses		**(11,074.30)**	**13,180.42**
Profit/(loss) for the year		**(1,32,159.10)**	**68,455.19**
Attributable to :			
Equityholders of the Company		**(1,32,159.10)**	**68,455.19**
Non-controlling interest		-	-
		(1,32,159.10)	**68,455.19**
Other Comprehensive Income			
i) Items that will not be reclassified to Profit and loss			
Remeasurement of defined benefit plans	**36(10)**	543.35	(12,112.91)
Tax relating to Items that will not be reclassified to Profit and loss		-	2,106.12
ii) Items that will be reclassified to Profit and loss			
Tax relating to Items that will be reclassified to Profit and loss		-	-
Other Comprehensive Income for the year (net of tax)		**543.35**	**(10,006.79)**
Total Comprehensive Income for the year		**(1,31,615.75)**	**58,448.40**
Attributable to :			
Equityholders of the Company		(1,31,615.75)	58,448.40
Non-controlling interest		-	-
		(1,31,615.75)	**58,448.40**

See accompanying notes to the Financial Statement Note 1-36

As per our Report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
(FRN : 101961W/W100036)

Sd/-
(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

Sd/-
Ravindra Sawant
Director (Finance)
DIN No.08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No.05169675

For Shah & Taparia
Chartered Accountants
(FRN : 109463W)

Sd/-
(CA Bharat Joshi)
Partner (ICAI M.No.130863)

Sd/-
Swati Vyavahare
Executive Director (F &A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

For GMJ & Co
Chartered Accountants
(FRN : 103429W)

Sd/-
(CA Atul Jain)
Partner (ICAI M.No.037097)

Sd/-
Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 24.11.2021

Place : Mumbai
Date : 24.11.2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF FOR THE YEAR ENDED MARCH 31, 2021

I. EQUITY SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	NO OF SHARES	AMOUNT
As at 01.04.2019	**47,61,43,19,844**	**47,61,431.99**
Changes in Equity share capital	10,96,65,000	10,966.50
As at 31.03.2020	**47,72,39,84,844**	**47,72,398.49**
Changes in Equity share capital	-	-
As at 31.03.2021	**47,72,39,84,844**	**47,72,398.49**

II. OTHER EQUITY

(₹ in Lakhs)

PARTICULARS	RESERVES & SURPLUS		ITEMS OF OTHER COMPREHENSIVE INCOME (OCI)	TOTAL OTHER EQUITY
	STATUTORY RESERVE [REFER NOTE NO. 36(27)]	RETAINED EARNINGS	REMESUREMENT OF DEFINED BENEFIT PLAN	
As at 01.04.2019	**57,700.00**	**(24,00,584.06)**	**(58,875.54)**	**(24,01,759.60)**
Profit or loss for the year		68,455.19		68,455.19
Other comprehensive income for the year			(10,006.79)	(10,006.79)
Addition during the year				10,966.50
Shares alloted during the year				(10,966.50)
As at 31.03.2020	**57,700.00**	**(23,32,128.87)**	**(68,882.33)**	**(23,43,311.20)**
Profit or loss for the year		(1,32,159.10)		(1,32,159.10)
Other comprehensive income for the year			543.35	543.35
Addition during the year				-
Shares alloted during the year				-
As at 31.03.2021	**57,700.00**	**(24,64,287.97)**	**(68,338.98)**	**(24,74,926.95)**

As per our Report of even date | **For and on behalf of the Board**

For C N K & Associates LLP
Chartered Accountants
(FRN : 101961W/W100036)

Sd/-
(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

Sd/-
Ravindra Sawant
Director (Finance)
DIN No.08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No.05169675

For Shah & Taparia
Chartered Accountants
(FRN : 109463W)

Sd/-
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Sd/-
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Executive Director (F &A)

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For GMJ & Co
Chartered Accountants
(FRN : 103429W)

Sd/-
(CA Atul Jain)
Partner (ICAI M.No.037097)

Sd/-
Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 24.11.2021

Place : Mumbai
Date : 24.11.2021

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31 MAR 2021	FOR THE YEAR ENDED 31 MAR 2020
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax & before regulatory deferral account balance	**(4,34,152.40)**	**(6,19,439.39)**
Add: Net movement in regulatory deferral account balance	2,90,919.00	7,01,075.00
Net Profit/(Loss) before Tax (including net movement in regulatory deferral account balance)	**(1,43,233.40)**	**81,635.61**
Adjustments for:		
Depreciation and amortisation expenses	3,39,454.07	3,06,907.32
Finance Costs	5,71,114.64	4,46,652.46
Expected Credit Loss (Trade Receivable)	4,20,198.73	3,25,842.87
Expected Credit Loss (Loans & Advances)	2,522.26	(414.18)
Provision for Employee advances	-	-
Amortisation of premium on investment	30.02	10.66
Interest Income	(2,681.86)	(2,198.70)
Interest on Lease Liability	1,079.63	1,433.80
Regulatory Deferral Account Balance	(2,90,919.00)	(7,01,075.00)
Provision for Interest on Income Tax	0.00	2,555.54
Profit on sale of asset	(1,169.12)	(924.92)
Operating Profit before Changes in Working Capital {Sub Total - (i)}	**8,96,395.97**	**4,60,425.46**
Movements in Working Capital		
(Increase) / Decrease in Other Non current assets	7,220.08	4,388.52
(Increase) /Decrease in Inventories	15,598.82	(13,962.67)
(Increase) / Decrease in Trade Receivables	(13,71,681.33)	(12,65,736.52)
(Increase) /Decrease in Other Non Current financial assets	(4,513.61)	(10,482.39)
(Increase) /Decrease in Other financial assets-Current	52,340.78	1,98,371.18
(Increase) /Decrease in Other assets-Current	(8,040.63)	(615.23)
Increase / (Decrease) in Trade Payables	11,73,819.73	2,62,088.21
Increase / (Decrease) in financial liabilities-Current	3,66,154.04	6,23,874.11
Increase / (Decrease) in Other Non Current financial liabilities	37,286.97	(30,716.18)
Increase / (Decrease) in Provisions	(85,265.08)	2,25,475.17
Increase / (Decrease) in Other Non Current liabilities	(68,516.58)	(1,77,536.77)
Increase / (Decrease) in Other Current liabilities	(1,01,850.25)	90,285.29
Sub Total - (ii)	**12,552.94**	**(94,567.27)**
Total (i)+(ii)	**9,08,948.91**	**3,65,858.18**
Less : Direct Taxes paid	**4,059.15**	**27,378.42**
Net Cash from Operating Activities (A)	**9,04,889.76**	**3,38,479.76**

B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment & Intangible Assets, CWIP	(2,46,338.29)	(3,56,352.24)
Grant Utilised for Property, Plant and Equipments	(1,18,671.92)	(2,36,387.55)
Right of use of asset	-	(15,425.74)
Purchase of Investment	-	(12,807.89)
Sale of Property, Plant & Equipment	1,244.02	992.01
Other bank Balances (Ear marked deposits)	56,363.43	10,508.80
Loan Given	(1.33)	(1,198.38)
Receipt of Loans Given	7.42	2,754.44
Interest received	3,094.56	1,460.08
Net Cash generated from / (used in) Investing Activities (B)	**(3,04,302.11)**	**(6,06,456.45)**
C. Cash Flow From Financing Activities		
Proceeds from issue of shares	-	10,966.50
Proceeds from non current Borrowings	17,77,406.58	10,74,809.81
Repayment of non current Borrowings	(19,16,259.72)	(5,16,752.15)
Proceeds from current Borrowings	25,25,750.00	34,12,000.00
Repayment of current Borrowings	(27,37,833.33)	(33,71,918.00)
Grant received	91,766.95	1,94,795.23
Finance Cost paid	(4,39,878.40)	(4,05,674.49)
Repayment of lease liabilities	(4,719.77)	(4,719.77)
Net Cash from Financing Activities (C)	**(7,03,767.69)**	**3,93,507.13**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**(1,03,180.03)**	**1,25,530.44**
Cash and cash equivalents at the beginning of the year	1,68,626.37	43,095.93
Cash and cash equivalents at the end of the year	65,446.33	1,68,626.37

Cash and cash equivalents as on	FOR THE YEAR ENDED 31-MAR-21	FOR THE YEAR ENDED 31-MAR-20
Balances with Banks:		
- on current accounts	57,552.25	1,68,478.18
Cheques, drafts on hand	77.08	30.52
Cash on hand	53.80	91.82
Cash with collection Centres	7,763.20	25.85
Cash and cash equivalents at the end of the year	**65,446.33**	**1,68,626.37**

Changes in liabilities arising from Financing Activites

Particulars	For the year ended 31.03.2021			For the year ended 31.03.2020		
	Borrowings-non current	Borrowings-current	Lease Liabilities	Borrowings-non current	Borrowings-current	Lease Liabilities
Opening Balance as at 1st April	28,75,190.99	4,97,935.51	12,139.77	23,17,133.33	4,57,853.51	15,425.74
Cash Flows during the year	(1,38,853.14)	(2,12,083.33)	(4,719.77)	5,58,057.66	40,082.00	(4,719.77)
Non Cash changes due to:						
Current/ Non Current Clasification	-		1,079.63			1,433.80
Closing Balance as at 31st March	27,36,337.85	2,85,852.18	8,499.63	28,75,190.99	4,97,935.51	12,139.77

Note: 1. Figures in negative are outflow/ deductions.
2. Direct tax paid includes reversal of Provision of Income Tax for FY 2019-20 as MSEDCL has availed the option of taxation of domestic companies at lower rate U/s 115BAA of the Income Tax Act, 1961 from AY 2020-21, i.e., from FY 2019-20.

As per our Report of even date

For and on behalf of the Board

For C N K & Associates LLP
Chartered Accountants
(FRN : 101961W/W100036)

Sd/-
(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

Sd/-
Ravindra Sawant
Director (Finance)
DIN No.08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No.05169675

For Shah & Taparia
Chartered Accountants
(FRN : 109463W)

Sd/-
(CA Bharat Joshi)
Partner (ICAI M.No.130863)

Sd/-
Swati Vyavahare
Executive Director (F &A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

For GMJ & Co
Chartered Accountants
(FRN : 103429W)

Sd/-
(CA Atul Jain)
Partner (ICAI M.No.037097)

Sd/-
Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 24.11.2021

Place : Mumbai
Date : 24.11.2021

NOTE NO. 1

CORPORATE INFORMATION

Maharashtra State Electricity Distribution Company Limited (CIN: U40109MH2005SGC153645)

The Consolidated Financial Statements comprise of Financial Statements of Financial Statements of Maharashtra State Electricity Distribution Company Limited (Company/ Parent Company) and its subsidiary (collectively referred to as "the Group") for the year ended 31.03.2021.

Maharashtra State Electricity Distribution Company Limited (The Company), a Limited Company, incorporated under the Companies Act, 1956 came into existence on June 6, 2005 after unbundling the erstwhile Maharashtra State Electricity Board into four companies. The Company is a wholly owned subsidiary of MSEB Holding Company Limited (the Holding Company)

The main object of the Company is distribution of reliable and quality supply of electricity at reasonable and competitive tariff so as to boost agricultural, industrial and overall economic growth and development of Maharashtra. In order to achieve the main objective, the Company has undertaken the activities of sub-transmission, distribution, provision, supply, wheeling, purchase, sale, import, export and trading of electricity and introduced open access in the distribution as per the Maharashtra Electricity Regulatory Commission directives. The tariff of the Company is regulated by Maharashtra Electricity Regulatory Commission.

The Registered Office of the Company is situated at Prakashgad, Bandra (East), Mumbai 400051. The Company, also known as Mahavitaran or Mahadiscom, is one of the largest public sector Company and is engaged in the business of electricity distribution. MSEDCL's distribution network is divided in 4 Regions, 16 Zones, 52 Circles, 186 Divisions, 716 Sub divisions and 34 IT Centres catering services to around 285 lakhs (P.Y. 278 Lakhs) consumers.

The Company's subsidiary Aurangabad Power Company Limited, came into existence on June 20, 2007. The objects of the subsidiary are to plan, promote, develop, design, engineer, construct, operate and maintain "electricity system" as defined under Section 2(25) of the Electricity Act, 2003 and integrated fuel system in all its aspects including design and engineer, prepare preliminary feasibility, detailed project and appraisal reports, establish, own, construct, operate and maintain electricity system and captive coal mines for generation evacuation, transmission and distribution of power for supply to the State Electricity Boards, Power Utilities, Generating, Transmission & Distribution Companies, State Government & Other organization. At present the subsidiary has not started its full-fledged operations.

The Company has controlling interest in the following entity:

Sr. No.	Name of the Entity	Country of Incorporation	Percentage of holding (%)
1.	Aurangabad Power Company Limited	India	100

NOTE NO. 2

SIGNIFICANT ACCOUNTING POLICIES OF THE GROUP

1. **Basis of preparation and presentation:**

The Group's Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with section 469 of the Companies Act, 2013 (18 of 2013) and considering the principles determined / applied by the Maharashtra Electricity Regulatory Commission (MERC) while determining tariff, to the extent applicable for accounting.

These Financial Statements include the balance sheet, the Statements of profit and loss, the Statements of changes in equity and the Statements of cash flows and notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period.

The Group's presentation currency and functional currency is Indian Rupees (₹). All figures appearing in the Financial Statements are rounded to the nearest lakhs (₹ Lakhs), except where otherwise indicated.

2. **Principles of Consolidation:**

The Financial Statements of the group are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra group balances and intra group transactions. The carrying amounts of parent's investment in subsidiaries and the parent's portion of equity of subsidiaries are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Subsidiary is an entity that is controlled by the Company. Control exists, when the Company is exposed to, or has rights to variable returns from its investments with the entity and has the ability to affect those returns through power over the entity.

Non-controlling interest in the results and equity of subsidiary, if any, are shown separately in the Consolidated Statements of Profit & Loss, Consolidated Statements of Changes In Equity and Consolidated Balance Sheet respectively.

3. **Classification of Assets and liabilities:**

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,

- held primarily for the purpose of trading,

- expected to be realised within twelve months after the reporting period, or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,

- it is held primarily for the purpose of trading,

- it is due to be settled within twelve months after the reporting period, or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

All assets and liabilities have been classified as current or non-current based on the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

The Group is governed by the Electricity Act, 2003. The provisions of the Electricity Act, 2003 read with the rules made there under prevails wherever the same are inconsistent with the provisions of Companies Act 2013 to the extent applicable, in terms of section 174 of the Electricity Act, 2003.

4. <u>Use of estimates and judgements:</u>

The preparation of the Group's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Group 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 Consolidated Financial Statements are as below:

- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Impairment of non-financial assets;
- Revenue recognition
- Fair value measurements of Financial instruments;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies;
- Evaluation of recoverability of deferred tax assets;

- Operating lease commitments
- Regulatory Assets

Revisions to accounting estimates are recognized prospectively in the Cosolidated Financial Statements in the period in which the estimates are revised and in any future periods affected.

5. **Financial Instruments:**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition:

The Group recognises financial assets and financial liabilities when it becomes a party to a contractual provision of the instruments. All financial assets and liabilities are recognised as fair value on initial recognition. Transaction cost that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added / deducted as appropriate to fair value on initial recognition. Transaction cost related to acquisition of financial assets and financial liabilities that are fair valued through profit and loss are recognised in Statement of profit and loss.

a) **Financial Assets:**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i. **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

iii. **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

For Trade receivables and Other receivable maturing within one year from the Balance sheet date, the carrying amounts approximates the fair value to the short maturity of these instruments and are hence, stated at cost.

EIR is not calculated for interest bearing Financial Assets, which carry market rates bearing interest rates that are subject to reset / change on time to time basis.

iv. **Investment in Subsidiary, Joint Ventures and Associates:**

Investments in subsidiaries, joint ventures and associates are carried at cost in accordance with Ind AS 27 Separate Financial Statements. These are tested for impairment.

v. **Impairment of Financial Asset:**

The Group had recognised Expected Credit Loss (ECL) on Trade receivables and other financial assets.

Trade receivables are categorised into four groups for computing ECL viz. 1) Government authorities/bodies, 2) Permanent Disconnected consumers, 3) Agricultural consumers and 4) Regular. Based on past experience, practical expedient, segmentation of customers and their aging profile, credit loss is calculated on Trade Receivables including interest. Security deposit available with the Company is reduced on individual customer basis.

The ECL on other receivables and receivables from Group companies are provided to the extent of Time loss only. Time loss is computed on other financial assets considering appropriate discount rate used in determining the actuarial valuation of employment benefit.

vi. **De-recognition:**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Group 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 with a)the Group has transferred substantially all the risks and rewards of the asset, or b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

b) **Financial liabilities:**

i. **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. **Financial liabilities:**

Subsequent measurement

Financial liabilities are subsequently carried at amortised cost using the Effective Interest Rate (EIR) method, except for those which are measured at fair value through profit & loss. For Trade & other payables maturing within one year from the Balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments and are hence, carried at cost. The Group classifies all Borrowings as subsequently measured at “Amortised Cost”

EIR is not calculated for interest bearing Financial Liabilities, which carry market rate bearing interest rates that are subject to reset/change on time to time basis.

iii. **De-recognition:**

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

c) **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 realise the assets and settle the liabilities simultaneously.

6. **Revenue Recognition:**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

a) **Sale of Power:**

i. Revenue is recognised to the extent that it is probable that economic benefit will flow to the Group and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

ii. Revenue from Sale of Power is accounted for on the basis of demand bills raised on consumers at Tariff rates approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Cost, if any.

iii. Unbilled revenue accrued up to the end of the financial year is accounted in the books of accounts on actual basis and includes FAC (Fuel Adjustment Cost), if any.

iv. Bills raised for theft of energy, under section 135 and for unauthorised use of power under section 126 of Electricity Act 2003, whether on consumer or outsiders are recognised in full as soon as assessment is received from the competent authority of the Holding Company.

v. Revenue on account of Delayed Payment Surcharge (DPS) is recognised on accrual basis. Interest from consumers is recognised on principal arrears amount pertaining to last 2 years only. Interest on arrears more than 2 years is recognised on receipt basis instead of accrual basis.

b) <u>Other Operating Income and Other Income:</u>

i. **Regulatory Income/Expenses:**

The tariff of the Company is regulated by MERC. The Regulatory Assets/Liabilities are being accounted based on principles laid down under Tariff Regulations / Tariff orders as notified by MERC. The recognition of Regulatory Assets/Liabilities is as per Ind AS 114 "Regulatory Deferral Accounts". Any adjustments that may arise on Annual Performance Review / Mid-Term Review by MERC under Multi-Year Tariff Regulations are made after completion of such review.

ii. Sale of scrap is recognised on realisation except scrap sale at the time of transformer repairing, which is accounted on accrual basis.

iii. Interest income on Non-current investments is accounted on accrual basis, using Effective Interest Rate (EIR) method. Interest Income other than Non-current Investments is accounted on accrual basis.

iv. Dividend income is accounted for when the right to receive income is established.

v. Interest Subsidy under National Electricity Fund (NEF) scheme on interest paid on long term loan is recognised in the year of approval.

7. <u>Government Grant and Consumer Contribution:</u>

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants relating to income are determined and recognised in the profit and loss over the period they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are presented as Capital Grant in Financial Statements and are credited to profit and loss in a systematic manner over the expected life of the related assets and presented within other income.

Consumer Contributions relating to the purchase/ construction of property, plant and equipment are credited to profit and loss in a systematic manner.

8. **Property, Plant and Equipment (PPE):**

a) Freehold lands are carried at cost.

b) PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Specific know-how fees paid, if any, relating to plant & equipment is treated as a part of cost thereof. Cost includes purchase price and any attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

c) For transition to Ind AS, the carrying value of PPE under previous GAAP as on April 1, 2015 is regarded as its cost.

d) Inventories with useful life for more than one year are accounted as PPE as per Ind AS 16.

e) Derecognition :

An item of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

9. **Capital Work in Progress:**

a) Fifteen percent of the cost of Capital Work in Progress incurred during the year is added to Capital Work in Progress towards Employee Cost and Administration and General Expenses as the Operation and Maintenance Circles are executing both Capital Works and Operation and Maintenance Works.

b) Interest relating to construction period in respect of acquisition of the qualifying assets is capitalised on the addition to Work in Progress during the year based on the average interest rate applicable to the loan.

c) Claims for Price Variation in case of contracts are accounted for on acceptance by the Group.

10. **Depreciation / Amortisation:**

Property, Plant and Equipment:

a) The Group has estimated the useful life of an item of Property Plant and Equipment based on a techno-commercial evaluation. This estimation includes the pattern of usage of the Property Plant and Equipment item. Accordingly, the Company provides depreciation on straight line method to the extent of 90% of the cost of asset except for temporary erections which is provided at 100% in same year in which the assets are accounted for.

b) The present estimation is similar to the method used by MERC to determine tariff through MERC (Multi Year Tariff) Regulations 2015.

c) The rates of Depreciation applied are as under:

Assets Group	Rate (%)
Leasehold Land	3.34
Buildings	3.34
Hydraulic Works	5.28
Other Civil Works	3.34
Plant & Machinery	5.28
Lines & Cable Networks	5.28
Communication Equipment	6.33
Vehicles	9.50
Furniture & Fixtures	6.33
Office Equipment	6.33
IT Equipment	15.00
Meters	9.00
Other Assets	5.28

d) In case of Assets whose depreciation has not been charged upto 70% after its commissioning, Holding Company charges depreciation at the rates prescribed above till the end of such year in which the accumulated depreciation reaches upto 70%. After attainment of 70% accumulated depreciation, the Holding Company charges depreciation on the basis of remaining useful life upto 90% of the cost of asset in terms of the requirement of the MERC (Multi Year Tariff) Regulations 2015.

e) Depreciation on addition/deletions of assets during the year is provided on pro-rata basis.

f) The assets costing ₹. 5000/- or less individually are depreciated at 100% in the year they are put to use.

11. <u>Intangible Assets:</u>

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statements of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated and future economic benefits are probable.

Intangible assets are amortised over the contract or warranty period whichever is longer and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets and impairment loss is recognised in the Statements of Profit & Loss.

The Holding Company has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

12. Impairment of Non-Financial Assets:

Non-financial assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

13. Inventories:

Inventories having useful life upto one year are valued at lower of weighted average cost and net realisable value.

Loss towards obsolete stores and spares identified on review are provided in the accounts.

14. Employee Benefits:

a) Short term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b) Defined contribution plans:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

c) Defined benefits plans:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

d) Other long term employee benefits:

Benefits under the Group's leave encashment constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of India government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

15. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the notes to the accounts on the basis of judgement of the management. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

Contingent assets are disclosed where an inflow of economic benefits is probable. A brief description of the nature of the contingent assets, where an inflow of economic benefits is probable, and, where practicable, an estimate of their financial effect will be disclosed.

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payment in respect of such demands, if any is shown as advances.

Contingent Liabilities under various fiscal laws includes those in respect of which the Group/department is in appeal.

16. Accounting of Losses on account of flood, fire, cyclone etc.:

The loss on account of flood, fire, cyclone, loss to fixed asset etc is recognized by making provision on the basis of available information. Excess/short provision, if any is recognized on approval from Competent Authority.

17. Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

b) Short-term leases and leases of low-value assets

The Group has elected not to apply the requirement of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value and leases where rent is less than ₹ 10 lakh per month. The lease payment associated with these leases is recognised as an expense over the lease term.

c) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

18. Taxation:

Provision for Income Tax consists of current tax and deferred tax. Current Tax is calculated according to prevailing rates of Income Tax. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred tax assets are recognised to the extent that it is probable that taxable income will be available. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. MAT credit, if any, forms part of Deferred Tax Assets.

19. Earnings per Share:

Basic Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

20. Fair value measurement:

Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, 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 Group has access at that date.

While measuring the fair value of an asset or liability, the Group 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 at measurement date.

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)

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

21. Cash and Bank Balance:

Cash and Bank Balance includes cash on hand, balances with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

22. Cash flow statement:

Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (Ind AS) 7 on 'Statement of Cash Flow'. For the purpose of the Statement of Cash Flows, cash and Bank Balance consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

23. Material Prior Period Errors:

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

No restatement of prior period is made where the prior period errors are below the threshold of 0.5% of the turnover (As defined under Section 2(91) of the Companies Act, 2013).

For and on behalf of the Board

Sd/-
Ravindra Sawant
Director (Finance)
DIN No. 08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No. 05169675

Sd/-
Swati Vyavahare
Executive Director (F&A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

Sd/-
Neeta Vernekar
Chief General Manager (CA)(in charge)

Place : Mumbai
Date : 24.11.2021

Place : Mumbai
Date : 24.11.2021

NOTE: 3 PROPERTY PLANT AND EQUIPMENTS [refer Note no. 36(5)]

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2020	ADDITIONS	(DEDUCTIONS) /ADJUSTMENTS	BALANCE AS AT 31.03.2021	BALANCE AS AT APRIL 1, 2020	DEPRECIATION EXPENSE	(DEDUCTIONS) /ADJUSTMENTS	BALANCE AS AT 31.03.2021	BALANCE AS AT 31.03.2021
(A) Owned Assets									
Land									
a) Free hold land	10,76,136.71	142.37	(8,698.41)	10,67,580.67	-	-		-	10,67,580.67
b) Lease hold land	2,597.35	31.32	8,624.06	11,252.73	283.68	188.90	(0.79)	471.79	10,780.94
Building	2,49,507.60	1,133.79	(3.15)	2,50,638.24	34,249.55	6,471.46	(2.27)	40,718.74	2,09,919.50
Hydralic works	495.21	-		495.21	130.72	96.73		227.45	267.76
Other Civil works	20,515.14	428.48		20,943.62	5,633.75	763.54		6,397.29	14,546.33
Plant and Equipments	18,25,219.20	2,52,096.68		20,77,315.88	4,21,050.19	1,07,847.31		5,28,897.50	15,48,418.38
Batteries & Charging	742.39	4.79		747.18	373.51	80.44		453.95	293.23
Lines and Cables	44,79,144.78	1,79,864.56	(1,59,446.56)	44,99,562.78	9,77,588.01	1,99,774.83	(19,929.78)	11,57,433.06	33,42,129.72
Meters		17,275.20	1,59,446.56	1,76,721.76		15878.04	19,685.28	35,563.32	1,41,158.44
Communication Equipment	3,934.61	80.54		4,015.15	1,379.74	279.35		1,659.09	2,356.06
Vehicles	741.81	0.15	(4.62)	737.34	195.81	57.12	(4.16)	248.77	488.57
Furniture and Fixture	7,296.24	64.52		7,360.76	1,514.47	316.22		1,830.69	5,530.07
IT Equipment	5,231.53	20.23		5,251.76	4,546.69	323.43		4,870.12	381.64
Office Equipments	15,520.81	121.12		15,641.93	3,979.79	2,999.31		6,979.10	8,662.83
Other Assets	6,877.56	62.81		6,940.37	2,441.06	282.64		2,723.70	4,216.67
Sub-total	**76,93,960.94**	**4,51,326.56**	**(82.12)**	**81,45,205.38**	**14,53,366.97**	**3,35,359.32**	**(251.72)**	**17,88,474.57**	**63,56,730.81**
(B) Right of Use Assets	**15,425.74**			**15,425.74**	**3,856.43**	**3,856.43**		**7,712.87**	**7,712.87**
(C) Capital work-in-progress *									**3,87,453.68**
Less: Provision for dimunition in value									625.86
Total									**67,51,271.50**

***CWIP as at 31st March 2021 includes amount capitalised towards Employee cost ₹. 34,689.84 Lakhs , Admin Cost ₹. 4,684.35 Lakhs and Interest Cost ₹.1,097.45 Lakhs**

NOTE - 3A INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1,2020	ADDITIONS	DEDUCTIONS /ADJUSTMENTS	BALANCE AS AT 31.03.2021	BALANCE AS AT APRIL 1, 2020	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 31.03.2021	BALANCE AS AT 31.03.2021
Computer Software	7,628.18	1,153.86		8,782.04	7,422.13	238.32		7,660.45	1,121.59
Sub-total	7,628.18	1,153.86	-	8,782.04	7,422.13	238.32	-	7,660.45	1,121.59
Total	**7,628.18**	**1,153.86**	**-**	**8,782.04**	**7,422.13**	**238.32**	**-**	**7,660.45**	**1,121.59**

NOTE: 3 PROPERTY PLANT AND EQUIPMENTS [refer Note no. 36(5)]

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2019	ADDITIONS	DEDUCTIONS / ADJUSTMENTS	BALANCE AS AT 31.03.2020	BALANCE AS AT APRIL 1, 2019	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 31.03.2020	BALANCE AS AT 31.03.2020
(A) Owned Assets									
Land									
a) Free hold land	10,75,655.73	541.23	60.25	10,76,136.71	-	-	-	-	10,76,136.71
b) Lease hold land	2,587.50	10.63	0.78	2,597.35	222.60	61.08	-	283.68	2,313.67
Building	2,48,296.21	1,211.39	-	2,49,507.60	27,850.33	6,399.22	-	34,249.55	2,15,258.05
Hydralic works	468.51	26.70	-	495.21	105.44	25.28	-	130.72	364.49
Other Civil works	20,004.54	510.60	-	20,515.14	3,246.96	2,386.79	-	5,633.75	14,881.39
Plant and Equipments	16,40,845.33	1,85,145.92	29.66	18,25,961.59	3,33,513.32	87,910.39	-	4,21,423.71	14,04,537.88
Lines and Cables	42,19,806.97	2,59,301.60	(36.21)	44,79,144.78	7,74,215.13	2,03,372.88	-	9,77,588.01	35,01,556.77
Communication Equipment	3,926.06	8.55	-	3,934.61	1,096.38	283.36	-	1,379.74	2,554.87
Vehicles	830.69	19.19	108.07	741.81	238.25	53.08	95.52	195.81	546.00
Furniture and Fixture	7,213.55	82.07	(0.62)	7,296.24	1,201.27	313.20	-	1,514.47	5,781.77
IT Equipment	5,229.14	2.39	-	5,231.53	3,720.52	826.17	-	4,546.69	684.84
Office Equipments	15,409.02	111.79	-	15,520.81	3,134.02	845.77	-	3,979.79	11,541.02
Other Assets	6,870.02	7.54	-	6,877.56	2,102.65	338.41	-	2,441.06	4,436.50
Sub-total	**72,47,143.27**	**4,46,979.60**	**161.93**	**76,93,960.94**	**11,50,646.87**	**3,02,815.63**	**95.52**	**14,53,366.98**	**62,40,593.96**
(B) Right of Use Assets	**-**	**15425.74**		**15,425.74**	**-**	**3,856.43**		**3,856.43**	**11,569.31**
(C) Capital work-in-progress *									**4,74,014.53**
Less: Provision for dimunition in value									625.86
Total									**67,25,551.94**

***CWIP as at 31st March 2020 includes amount capitalised towards Employee cost ₹. 37,492.79 Lakhs , Admin Cost ₹. 5,665.95 Lakhs and Interest Cost ₹. 239.07 Lakhs**

NOTE - 3A INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				Carrying Amount
	BALANCE AS AT APRIL 1, 2019	ADDITIONS	DEDUCTIONS /ADJUSTMENTS	BALANCE AS AT 31.03.2020	BALANCE AS AT APRIL 1, 2019	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 31.03.2020	BALANCE AS AT 31.03.2020
(A) Computer Software	7,628.18	-		7,628.18	7,186.87	235.26		7,422.13	206.05
Sub-total	**7,628.18**	**-**	**-**	**7,628.18**	**7,186.87**	**235.26**	**-**	**7,422.13**	**206.05**
(B) Intangible Assets under developments									1,153.86
Total	**7,628.18**	**-**	**-**	**7,628.18**	**7,186.87**	**235.26**	**-**	**7,422.13**	**1,359.91**

NOTE: 3 PROPERTY PLANT AND EQUIPMENTS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2018	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 01.04.2019	BALANCE AS AT APRIL 1, 2018	Depreciation expense	Deductions/ Adjustments	BALANCE AS AT 01.04.2019	BALANCE AS AT 01.04.2019
(A) Owned Assets									
Land									
a) Free hold land	10,75,249.60	538.82	132.69	10,75,655.73	-	-	-	-	10,75,655.73
b) Lease hold land	2,563.72	23.78	-	2,587.50	169.16	53.44	-	222.60	2,364.90
Building	2,46,285.15	2023.80	12.74	2,48,296.21	21,710.26	6,151.54	11.47	27,850.33	2,20,445.88
Hydralic works	326.25	142.26	-	468.51	69.43	36.01	-	105.44	363.07
Other Civil works	17,988.20	2016.34		20,004.54	2,421.61	825.35	-	3,246.96	16,757.58
Plant and Equipments	14,23,277.49	219143.71	1,575.87	16,40,845.33	2,26,769.74	1,07,079.95	336.37	3,33,513.32	13,07,332.01
Lines and Cables	39,14,673.91	305133.06	-	42,19,806.97	5,89,983.23	1,84,231.90	-	7,74,215.13	34,45,591.84
Communication Equipment	3,885.33	40.73	-	3,926.06	823.40	272.98	-	1,096.38	2,829.68
Vehicles	830.69	0.00	-	830.69	181.42	56.83	-	238.25	592.44
Furniture and Fixture	7,060.86	152.69	-	7,213.55	866.71	334.56	-	1,201.27	6,012.28
IT Equipment	5,033.48	195.66	-	5,229.14	2,764.59	955.93	-	3,720.52	1,508.62
Office Equipments	12,417.23	2991.79	-	15,409.02	2,328.89	805.13	-	3,134.02	12,275.00
Other Assets	5,617.60	1252.42	-	6,870.02	1,836.64	266.01	-	2,102.65	4,767.37
Sub-total	**67,15,209.51**	**5,33,655.06**	**1,721.30**	**72,47,143.27**	**8,49,925.08**	**3,01,069.63**	**347.84**	**11,50,646.87**	**60,96,496.40**
(B) Right of Use Assets									-
(C) Capital work-in-progress *									**3,28,255.02**
Less: Provision for dimunition in value									625.86
Total									**64,24,125.56**

***CWIP as at 1st April 2019 includes amount capitalised towards Employee cost ₹. 41,998.11 Lakhs , Admin Cost ₹. 6,311.01 Lakhs and Interest Cost Rs.755.63 Lakhs**

NOTE: 3A INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2018	ADDITIONS	DEDUCTIONS / ADJUSTMENTS	BALANCE AS AT 01.04.2019	BALANCE AS AT APRIL 1, 2018	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 01.04.2019	BALANCE AS AT 01.04.2019
(A) Computer Software	6,740.53	887.65		7,628.18	6,075.21	1,277.95	166.29	7,186.87	441.31
Sub-total	6,740.53	887.65	-	7,628.18	6,075.21	1,277.95	166.29	7,186.87	441.31
(B) Intangible Assets under developments									1,153.86
Total	6,740.53	887.65	-	7,628.18	6,075.21	1,277.95	166.29	7,186.87	1,595.17

NOTE - 4
NON-CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Investments In Bonds at Amortised Cost			
Quoted			
Bonds (Earmarked against Contingency Reserve)			-
8.15% Govt-Food Corporation of India Bonds 2022 [1050000 (PY 1050000; 1st April, 2019 1050000) Bonds of Face Value of ₹ 100/- each]	1,049.34	1,048.95	1,048.60
8.01% Govt-Oil Bonds -2023 [1950000 (PY 1950000; 1st April, 2019 1950000) Bonds of Face Value of ₹ 100/- each]	1,941.16	1,938.38	1,935.77
8.03% Govt-Food Corporation of India Bonds -2024 [1000000 (PY 1000000; 1st April, 2019 1000000) Bonds of Face Value of ₹ 100/- each]	994.58	993.37	992.26
8.23% Govt-Food Corporation of India Special Bonds -2027 [1000000 (PY 1000000; 1st April, 2019 1000000) Bonds of Face Value of ₹ 100/- each]	997.57	997.26	996.98
8% Oil Bonds 2026 [5000000 (PY 5000000; 1st April, 2019 5000000) Bonds of Face Value of ₹ 100/- each]	5,112.60	5,130.68	5,147.49
8.28% Govt of India Bonds 2032 [2700000 (PY 2700000; 1st April, 2019 2700000) Bonds of Face Value of ₹ 100/- each]	2,685.47	2,684.68	2,683.95
8.30% Govt Of India Bonds 2040 [2900000 (PY 2900000; 1st April, 2019 2900000) Bonds of Face Value of ₹ 100/- each]	2,874.61	2,874.09	2,873.62
9.45% Power Finance Corporation Bonds 2026 [290 (PY 290; 1st April, 2019 290) Bonds of Face Value of ₹ 1000000/- each]	2,895.16	2,894.50	2,893.90
8.56% Rural Electrification Corporation Limited Bonds 2028 [100 (PY 100; 1st April, 2019 Nil) Bonds of Face Value of ₹ 1000000/- each]	1,020.44	1,022.30	-
8.37% Rural Electrification Corporation Limited Bonds 2028 [880 (PY 880; 1st April, 2019 Nil) Bonds of Face Value of ₹ 1000000/- each]	8,904.72	8,914.18	-
8.25% Power Finance Corporation Bonds 2034 [20 (PY 20; 1st April, 2019 Nil) Bonds of Face Value of ₹ 1000000/- each]	198.61	198.55	-
8.29% Rural Electrification Corporation Limited Bonds 2034 [10 (PY 10; 1st April, 2019 Nil) Bonds of Face Value of ₹ 1000000/- each]	99.61	99.61	-
8.80% Rural Electrification Corporation Limited Bonds 2029 [250 (PY 250; 1st April, 2019 Nil) Bonds of Face Value of ₹ 1000000/- each]	2,565.91	2,573.25	-
Total:::::	**31,339.78**	**31,369.80**	**18,572.57**
Aggregate Cost of Unquoted Investments	-	-	-
Aggregate Cost of Quoted Investments	**31,339.78**	**31,369.80**	**18,572.57**
Aggregate Market Value of Quoted Investments	**33,989.22**	**33,419.55**	**19,086.51**

NOTE - 5
LOANS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Credit Impaired			
(a) Loans to related parties [refer Note no.36(21)(h)]	453.48	453.48	453.48
Less: Allowances for Doubtful Advances	453.48	453.48	453.48
	-	-	-
(b) Loans to others			
Loans & Advances to Licensees	31.34	31.34	31.34
Less: Allowances for Doubtful Advances	31.34	31.34	31.34
	-	-	-
Total (a+b) :::::	**-**	**-**	**-**
Loans to related parties [refer Note no.36(21)(h)]			
(i) Dhopave Coastal Power Limited	206.75	206.75	206.75
(ii)Maharashtra Power Development Corporation Limited	246.73	246.73	246.73
Total :::::	**453.48**	**453.48**	**453.48**

NOTE - 6
OTHER FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Security Deposits			
(a) Considered Good - Unsecured			-
(i) Maharashtra Electricity Regulatory Commission [refer Note no.36(1)(I)(a)(v)]	51,092.00	48,551.00	45,709.00
(ii) Court /other Authorities	28,769.03	27,061.18	19,931.91
(iii) Others	110.94	110.86	159.68
(b) Significant increase in Credit Risk			
Others deposits	2,284.09	2,215.52	1,877.67
Less: Provision for Doubtful deposits	1,281.57	1,257.02	1,200.05
	1,002.52	958.50	677.62
Receivable from Government of Maharashtra [refer Note no.36 (21) (j)]	6,906.81	6,686.15	6,407.09
Total :::::	**87,881.30**	**83,367.69**	**72,885.30**

NOTE - 7

NON CURRENT TAX ASSET (NET)

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Advance Income Tax	44,124.01	40,189.07	13,000.48
Less : Provision for taxes	35,063.26	35,056.08	7,885.66
Total :::::	**9,060.75**	**5,132.99**	**5,114.82**

NOTE - 8

OTHER NON CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
(a) Deposit with Ratnagiri Gas Power Private Limited			
[refer Note no. 36(1)(I)(a)(iii)(A)(c)]	18,101.07	18,101.07	18,101.07
(b) Advances (Unsecured, Considered good)			
(i) Capital Advances	10,019.88	18,784.01	24,113.92
(ii) Others	3,242.50	1,698.45	757.06
Total :::::	**31,363.45**	**38,583.53**	**42,972.05**

NOTE - 9

INVENTORIES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Inventories (lower of cost and net realisable value)			-
Stores and spares	40,386.88	53,504.18	39,686.94
Less : Provision for non - moving & obsolete items	4,926.31	2,444.79	2,590.22
Total :::::	**35,460.57**	**51,059.39**	**37,096.72**

NOTE - 10
TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
(a) Secured & Considered good [refer Note No.36(6)(II)(i)(a)]	**4,48,569.04**	**4,52,228.56**	**3,69,289.40**
(b) Considered Good - Unsecured			
(i) Receivable from Government of Maharashtra towards subsidy /Grant etc [refer Note no. 36(8) for subsidy receivable]	4,39,319.77	3,09,422.72	78,604.37
(ii) Other	28,66,730.46	18,56,785.90	18,52,588.30
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	89,891.94	52,901.66	1,49,186.67
Sub total (ii)	27,76,838.52	18,03,884.24	17,03,401.63
Sub total (b) (i+ii)	**32,16,158.29**	**21,13,306.96**	**17,82,006.00**
(c) Significant increase in Credit Risk	13,34,585.95	14,86,580.40	10,91,243.13
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	1,01,841.55	1,06,126.79	2,36,443.05
Sub total (c)	**12,32,744.40**	**13,80,453.61**	**8,54,800.08**
(d) Credit Impaired	3,64,181.30	3,36,093.08	65,864.80
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	3,64,181.30	3,36,093.08	65,864.80
Sub total (d)	-	-	-
Total ::::: (a+b+c+d)	**48,97,471.73**	**39,45,989.13**	**30,06,095.48**

NOTE - 11
CASH AND BANK BALANCES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
(a) Cash & Cash Equivalents		-	
(i) Cash on hand	53.80	91.82	20.28
(ii) Cheques/ Drafts on hand	77.08	30.52	45.13
(iii) Balances with Banks in Current account	57,552.25	1,68,478.18	42,504.46
(iv) Cash with collection Centres	7,763.20	25.85	526.06
Sub total (a)	**65,446.33**	**1,68,626.37**	**43,095.93**
(b) Other Bank Balances			
- In earmarked Deposit accounts with original maturities less than 3 months*	12,570.13	67,942.10	78,410.63
- Other **	1,089.76	1,072.62	1,112.89
Less: Provision for doubtful recovery [refer Note no. 36(6)(II)(i)(a)]	1,008.60	-	-
Sub total (b)	**12,651.29**	**69,014.72**	**79,523.52**
Total :::: (a)+(b)	**78,097.62**	**2,37,641.09**	**1,22,619.45**

*Unutilised funds of integrated power development schemes (IPDS), Din Dayal Upadyay Gramin Jyoti Yojana (DDUGJY), RPO Fund & Solar AG pump, Deposited with banks. [Refer Note 36(24)]

**Includes ₹. 69.74 Lakh Security Deposit received from vendors in the form of Fixed Deposit.

NOTE - 12
LOANS - CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Loans to related parties			
Considered Good - Unsecured			
(a) Maharashtra State Electricity Transmission Co Limited	-	7.42	1,572.01
(b) Maharashtra State Power Generation Co Limited	47,015.54	47,015.54	47,008.12
Less: Loss Allowance [refer Note no. 36(6)(II) (i)(b)]	15,886.81	13,365.88	13,781.17
Total ::::	**31,128.73**	**33,657.08**	**34,798.96**

NOTE - 13
OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
(a) Unbilled Revenue	1,27,199.39	1,18,369.61	2,19,612.80
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	5,087.98	2,367.39	41,239.61
Sub Total (a)	**1,22,111.41**	**1,16,002.22**	**1,78,373.19**
(b) Interest on Trade Receivables			
(i) Considered Good - Unsecured	58,700.15	58,714.60	48,627.10
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	2,378.13	1,266.51	4,157.17
Sub Total (i)	**56,322.02**	**57,448.09**	**44,469.93**
(ii) Significant increase in Credit Risk	12,74,479.13	9,00,027.97	13,77,648.20
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	2,76,432.07	21,247.89	1,25,681.33
Sub Total (ii)	**9,98,047.06**	**8,78,780.08**	**12,51,966.87**
(iii) Credit Impaired	2,28,751.12	1,79,068.77	78,941.33
Less: Allowance for Expected Credit Loss [refer Note no. 36(6)(II)(i)(a)]	2,28,751.12	1,79,068.77	78,941.33
Sub Total (iii)	**-**	**-**	**-**
sub total (b) (i+ii+iii)	**10,54,369.08**	**9,36,228.17**	**12,96,436.80**
Less: Deferred Interest	4,82,717.90	2,81,493.44	5,87,749.95
Total (b)	**5,71,651.18**	**6,54,734.73**	**7,08,686.85**
(c) Interest accrued	3,458.39	3,871.11	3,132.47
(d) Subsidy & Grant Receivable	17,741.42	14,509.00	97,560.63
(e) Advances to/ Amount recoverable from Employees and Collection Agencies			
(i) Considered Good	1,874.20	1,656.68	1,479.56
(ii) Credit Impaired	1,123.53	1,036.99	1,055.79
Less Provision for Doubtful Advance	1,123.53	1,036.99	1,055.79
Sub Total (e) (ii)	**-**	**-**	**-**
Sub Total (e) (i+ii)	**1,874.20**	**1,656.68**	**1,479.56**
(f) Other Receivables	7,257.36	2,548.30	1,662.96
(g) Receivable from IEX PXIL	20,509.72	-	-
Less: Loss Allowance [refer Note no. 36(6)(II) (i)(b)]	4,187.30	-	-
Sub Total (g)	**16,322.42**	**-**	**-**
(h) Amounts receivables from other State Electricity Boards - Credit Impaired	9,429.45	9,277.29	9,277.29
Less: Provision for Doubtful Advances	9,277.29	9,277.29	9,218.37
Sub Total (h)	**152.16**	**-**	**58.92**
Total :::::(a+b+c+d+e+f+g+h)	**7,40,568.54**	**7,93,322.04**	**9,90,954.58**

NOTE - 14

OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Prepaid expenses	15,700.46	7,658.33	6,755.54
MVAT receivable	12,472.05	12,472.05	12,760.78
GST Receivable	-	1.50	0.33
Sub Total (a) :::::	**28,172.51**	**20,131.88**	**19,516.65**

NOTE - 15

SHARE CAPITAL

(₹ in Lakhs)

SR. NO.	PARTICULARS	AS AT 31.03.21	AS AT 31.03.20	AS AT 01.04.19
A]	**AUTHORISED CAPITAL** 60,00,00,00,000 Equity Shares of ₹10/- each Fully Paid Up) (Equity Shares :- PY 60,00,00,00,000; 1st April, 2019 60,00,00,00,000)	**60,00,000.00**	**60,00,000.00**	**60,00,000.00**
B]	**ISSUED, SUBSCRIBED AND PAID UP** 47,723,984,904 Equity Shares of ₹10/- each fully paid	**47,72,398.49**	**47,72,398.49**	**47,61,431.99**
	(Equity Shares Fully Paid :- PY 47,723,984,904; 1st April, 2019 47,614,319,904)	47,72,398.49	47,72,398.49	47,61,431.99

C] RECONCILIATION OF THE NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR :

PARTICULARS	AS AT 31.03.21		AS AT 31.03.20		AS AT 31.03.19	
	NO. OF SHARES	₹ IN LAKHS	NO. OF SHARES	₹ IN LAKHS	NO. OF SHARES	₹ IN LAKHS
Opening Balance	47,72,39,84,904	47,72,398.49	47,61,43,19,904	47,61,431.99	47,24,52,54,904	47,24,525.49
Fresh Issue	-	-	10,96,65,000	10,966.50	36,90,65,000	36,906.50
Closing Balance	47,72,39,84,904	47,72,398.49	47,72,39,84,904	47,72,398.49	47,61,43,19,904	47,61,432

D] THE RIGHTS, PREFERANCES, RESTRICTIONS ON THE DISTRIBUTION OF DIVIDENDS AND REPAYMENT OF CAPITAL

(i) MSEDCL is having only one class of share i.e. Equity Shares, carrying the nominal value of ₹10/- per share.
(ii) Every Holder of the equity share of the company is entitled to one vote per share held.
(iii) Every share holder has a right to receive dividend in proportion to shares held by them whenever such dividend is approved.
(iv) In the event of liquidation of the company the equity share holder will be entitled to receive remaining assets of the company, after distribution of dues to all preferential rightholders. The distribution will be in proportion to the number of equity shares held by the share holders.

E] DETAILS OF NUMBER OF EQUITY SHARES HELD BY THE HOLDING COMPANY, THE ULTIMATE HOLDING COMPANY, THEIR SUBSIDIARIES AND ASSOCIATES :

Particulars	AS AT 31.03.21	AS AT 31.03.20	AS AT 01.04.19
MSEB Holding Co. Ltd. (Nos.)	47,72,39,84,904	47,72,39,84,904	47,61,43,19,844
MSEB Holding Co. Ltd. (Amount in ₹ In Lakhs)	**47,72,398.49**	**47,72,398.49**	**47,61,431.98**

F] DETAILS OF EQUITY SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 % SHARES :

PARTICULARS	AS AT 31.03.21		AS AT 31.03.20		AS AT 01.04.19	
	NO. OF SHARES HELD	% OF HOLDING IN THAT CLASS OF SHARES	NO. OF SHARES HELD	% OF HOLDING IN THAT CLASS OF SHARES	NO. OF SHARES HELD	% OF HOLDING IN THAT CLASS OF SHARES
MSEB Holding Co. Ltd. & its nominees*	47,72,39,84,904	100	47,72,39,84,904	100	47,61,43,19,904	100

* The beneficial owner of 60 shares held by the nominees, is MSEB Holding Co. Ltd

The Company has issued 39,80,35,03,143 equity shares of ₹10/- each as fully paid shares for consideration other than cash during F.Y 2015-16 under Financial Restructuring Plan(FRP)of the erstwhile Maharashtra State Electricity Board(MSEB)

NOTE - 16

OTHER EQUITY

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Statutory Reserve (Contingency Reserve)			
Opening Balance	57,700.00	57,700.00	57,700.00
Add: Transfer from retained earnings			
Closing Balance	**57,700.00**	**57,700.00**	**57,700.00**
Retained Earning			
Opening Balance	(23,32,128.87)	(24,00,584.06)	26,89,211.98)
Add/ (less) :Profit/ (Loss) for the year	(1,32,159.10)	68,455.19	2,88,627.92
Closing Balance	**(24,64,287.97)**	**(23,32,128.87)**	**(24,00,584.06)**
Other Comprehensive Income (OCI)			
Opening Balance	(68,882.33)	(58,875.54)	33,786.60)
Add/ (less) :Other Comprehensive Income or Expense arising from remesurement of difined benefit obligation	543.35	(10,006.79)	(25,088.94)
Closing Balance	**(68,338.98)**	**(68,882.33)**	**(58,875.54)**
Total	**(24,74,926.95)**	**(23,43,311.20)**	**(24,01,759.60)**

NOTE - 17
BORROWINGS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
A) Secured - at amortized cost			
Term loans			
(I) from banks			
(i) State Bank of India	7,50,390.67	8,70,699.32	4,54,973.42
(ii) Punjab National Bank	57,220.40	-	-
(iii) Union Bank of India	99,576.38	-	-
(iv) Bank of Maharashtra	89,734.01	-	-
(v) Uco Bank	49,838.94	-	-
(vi) Bank of India	39,676.20	-	-
(II)From Financial Institutions			
(i) Rural Electrification Corporation	22,08,129.86	21,57,419.56	19,26,300.05
(ii) Power Finance Corporation [refer Note no. 36(25)]	2,05,154.13	2,49,626.00	4,35,739.53
Sub Total (A)::::	**34,99,720.59**	**32,77,744.88**	**28,17,013.00**
B) Unsecured - at amortized cost			
(I) from banks			
District Central Cooperative Banks Limited	7,222.22	32,277.78	44,388.89
(II) From other parties			
State Government Loans - Government of Maharashtra	1,250.19	1,443.35	1,999.39
Payable to MSPCGL	485.22	485.22	485.22
Sub Total (B)::::	**8,957.63**	**34,206.35**	**46,873.50**
C) Current Maturities (Refer Note No. 23)			
Rural Electrification Corporation (REC)	4,28,513.14	2,46,260.98	2,41,093.76
Power Finance Corporation (PFC)	53,758.59	53,309.26	2,27,479.00
District Central Cooperative Banks Limited	2,222.22	15,055.56	-
State Bank of India	2,44,368.00	1,21,456.00	77,139.14
Union Bank of India	15,500.00	-	-
Bank of Maharashtra	15,300.00	-	-
Uco Bank	7,000.00	-	-
Bank of India	5,000.00	-	-
State Govt.Loans - Government of Maharashtra	193.16	193.16	556.04
Sub Total (C)::::	**7,71,855.11**	**4,36,274.96**	**5,46,267.94**
Gross Total (A+B-C)::::	**27,36,823.11**	**28,75,676.27**	**23,17,618.56**

NOTE -17
BORROWINGS - NON CURRENT

D] DETAILS OF TERMS OF REPAYMENT FOR THE TERM BORROWINGS AND SECURITY PROVIDED IN RESPECT OF THE SECURED AND OTHER LONG TERM BORRROWINGS :

Particulars	Outstanding amount (₹ in Lakhs) as on 31.03.21	Rate of Interest (%)	Repayment Period from the start date	Moratorium period included in the period of maturity at (4)	Security offered
1	2	3	4	5	6
A) Secured - at amortized cost					
Term Loans					
(I) From Banks					
(i) State Bank of India	3,05,006.59	1 Year MCLR + 90 bps	2 Years	3 Months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 10 Circles)
State Bank of India	4,45,384.08	1 Year MCLR + 55 bps	5 Years	6 months	
(ii) Punjab National Bank	57,220.40	1 Year MCLR + 55 bps	3 Years	6 months	Guarantee from State Govt of Maharashtra and exclusive charge of mortgage of property offer in various division
(iii) Union Bank of India	99,576.38	1 Year MCLR + 55 bps	5 Years	6 months	Guarantee from State Govt of Maharashtra and hypotication of trade receivable (only HT Consumers) of Designated 06 Circles
(iv) Bank of Maharashtra	89,734.01	1 Year MCLR + 55 bps	5 Years	6 months	
(v) Uco Bank	49,838.94	1 Year MCLR + 55 bps	5 Years	6 months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 06 Circles)
(vi) Bank of India	39,676.20	1 Year MCLR + 55 bps	5 Years	6 months	Guarantee from State Govt of Maharashtra and hypotication of trade receivable (only HT Consumers) of Designated 06 Circles
	10,86,436.60				
(II) From Financial Institutions					
(i) Rural Electrification Corporation	22,08,129.86	Loans taken from REC and PFC carry an interest rate ranging from 8.64% to 11.25% p.a. alongwith rebate thereon ranging from 25 bps to 155 bps as applicable for the respective loans approved for various schemes.	3 to 15 Years	6 Months to 5 Years	In case of Long Term Loan, Hypothecation of asset created out of these loans/existing assets and escrow coverage. In case of Medium Term Loan, Corporate Guarantee of MSEB Holding Co. and escrow coverage.
(ii) Power Finance Corporation	2,05,154.13		10 to 20 Years	2 to 5 Years	
	24,13,283.99				
Sub-total (A)	**34,99,720.59**				
B) Unsecured - at amortized cost					
(I) from banks					
District Central Cooperative Banks Limited	7,222.22	8.00-9.00	1.5 years	6 Months	Post Dated Cheques and Promissory Note
(II) From other parties					
State Government loans - GoM	1,250.19	10.50	10 to 20 Years	NIL	
Sub-total (B)	**8,472.41**				
TOTAL (A+B)	**35,08,193.00**				

NOTE : Outstanding amount includes the current maturities of long term loans

NOTE -17
BORROWINGS - NON CURRENT

Particulars	Outstanding amount (₹ in Lakhs) as on 31.03.20	Rate of Interest (%)	Repayment Period from the start date	Moratorium period included in the period of maturity at (4)	Security offered
1	2	3	4	5	6
A) Secured - at amortized cost					
Term Loans					
(I) From Banks					
State Bank of India	3,97,528.42	1 Year MCLR + 90 bps	2 Years	3 Months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 10 Circles)
State Bank of India *	4,73,170.90	1 Year MCLR + 55 bps	5 Years	6 months	
	8,70,699.32				
(II) From Financial Institutions *					
(i) Rural Electrification Corporation	21,57,419.56	Loans taken from REC and PFC carry an interest rate ranging from 8.64% to 11.25% p.a. alongwith rebate thereon ranging from 25 bps to 155 bps as applicable for the respective loans approved for various schemes.	3 to 15 Years	6 Months to 5 Years	In case of Long Term Loan, Hypothecation of asset created out of these loans/existing assets and escrow coverage. In case of Medium Term Loan, Corporate Guarantee of MSEB Holding Co. and escrow coverage.
(ii) Power Finance Corporation	2,49,626.00		10 to 20 Years	2 to 5 Years	
* (includes loan against Regulatory Asset)					
	24,07,045.56				
Sub-total (A)	**32,77,744.88**				
B) Unsecured - at amortized cost					
(I) from banks					
District Central Cooperative Banks Limited	32,277.78	8.00-9.00	1.5 years	6 Months	Post Dated Cheques and Promissory Note
(II) From other parties					
(a) State Government loans - GoM	1,443.35	10.50	10 to 20 Years	NIL	
Sub-total (B)	**33,721.13**				
TOTAL (A+B)	**33,11,466.01**				

NOTE : Outstanding amount includes the current maturities of long term loans

NOTE -17
BORROWINGS - NON CURRENT

	Outstanding amount (₹. in Lakhs) as on 01.04.2019	Rate of Interest (%)	Repayment Period from the start date	Moratorium period included in the period of maturity at (4)	Security offered
1	2	3	4	5	6
A) Secured - at amortized cost					
Term Loans					
(I) From Banks					
State Bank of India	54,973.42	1 Year MCLR + 90 bps	2 Years	3 Months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 10 Circles)
State Bank of India *	4,00,000.00	1 Year MCLR + 55 bps	5 Years	6 months	
	4,54,973.42				
(II) From Financial Institutions *					
(i) Rural Electrification Corporation	19,26,300.05	Loans taken from REC and PFC carry an interest rate ranging from 10.50% to 11.50% p.a. alongwith rebate thereon ranging from 75 bps to 255 bps as applicable for the respective loans approved for various schemes.	3 to 15 Years	6 Months to 5 Years	Hypothecation of asset created out of these loans and escrow coverage.
(ii) Power Finance Corporation	4,35,739.53		3 to 20 Years	1 to 5 Years	
Sub-total	**23,62,039.58**				
Sub-total (A)	**28,17,013.00**				
B) Unsecured - at amortized cost					
(I) from banks					
District Central Cooperative Banks Limited	44,388.89	8.00-9.00	1.5 years	6 Months	Post Dated Cheques and Promissory Note
(II) From other parties					
(a) State Government loans - GoM	1,999.39	10.50 to 11.50	10 to 20 Years	NIL	
Sub-total (B)	**46,388.28**				
TOTAL (A+B)	**28,63,401.28**				
NOTE : Outstanding amount includes the current maturities of long term loans					

NOTE - 18

OTHER FINANCIAL LIABILITIES - NON CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Deposits			
Security deposits from consumers [refer Note no. 36(6)(II)(i)(a)(c)]	8,53,102.56	8,10,679.84	7,54,347.92
Deposits for Electrification, service connections, etc.	1,662.75	274.76	182.65
Deposit From Supplier & Contractors	1,683.65	1,624.00	11,656.77
From collection agencies	2,042.01	3,107.48	4,429.67
Other Payable			
Retention money Payable for capital Supplies & services	38,121.32	41,470.61	1,28,836.13
Amount payable to REC on behalf of GoM under RGGVY	1,771.38	2,247.30	2,797.01
Lease Liabilities	4,467.14	8,499.63	-
Other	27,817.65	25,477.87	21,847.52
Total ::::	**9,30,668.46**	**8,93,381.49**	**9,24,097.67**

NOTE - 19

PROVISIONS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Provision for Employee Benefits:			
Provision for Gratuity [refer Note no. 36(10)(A)(ii)]	2,05,406.70	2,00,635.62	1,87,966.79
Provision for Leave Encashment [refer Note no. 36(10)(A)(iii)]	2,33,946.29	2,13,569.96	1,79,701.45
Provision for Pension	335.59	353.69	-
Total ::::	**4,39,688.58**	**4,14,559.27**	**3,67,668.24**

NOTE - 20

OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Consumer Contribution including Contributions from GoM for RGGVY [refer Note no. 36(20)]	2,35,080.01	2,35,576.49	2,61,171.83
Grants [refer Note no. 36(20)]	7,24,335.17	7,00,588.32	5,58,534.52
Uday Loan [refer Note no. 36(23)]	-	-	99,200.00
Total ::::	**9,59,415.18**	**9,36,164.81**	**9,18,906.35**

NOTE - 21

BORROWINGS - CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
(a) Secured - at amortized cost			
(Secured against first pari passu charge on Trade Receivables of Non Escrowed Circles)			
Loans repayable on demand from banks (Working Capital Demand Loan)			
[refer Note no. 36(6)(II)(ii)(b)]			
(i) Canara Bank	82,000.00	1,44,000.00	1,41,500.00
(ii) United Bank of India	49,000.00	49,000.00	49,000.00
(iii) Syndicate Bank	-	23,250.00	38,250.00
(iv) Bank of Maharashtra	62,500.00	62,000.00	61,750.00
(v) State Bank of India	30,000.00	30,000.00	-
(vi) Bank of India	-	34,000.00	-
(b) Unsecured - at amortized cost			
(i) Maharashtra State Co-op. Bank	50,000.00	1,43,333.33	83,333.33
(ii) Ratnagiri District Co Op Bank	-	-	30,000.00
(iii) Thane District Co Op Bank	-	-	16,668.00
(II) Loan from Others			
(i) Interest free Loan from Maharashtra Industrial Development Corporation (MIDC) [refer Note no. 36(1)(I)(a)(iv)]	12,352.18	12,352.18	12,352.18
(ii) Energy Development Agency Ltd	-	-	25,000.00
Total ::::	**2,85,852.18**	**4,97,935.51**	**4,57,853.51**

NOTE - 22
TRADE PAYABLES - CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Trade Payables:			
Liability for purchase of Power	21,73,545.07	15,37,146.23	13,40,032.67
Liability for transmission charges	2,64,908.61	2,40,138.51	2,43,053.72
Bills payable	4,96,973.57	-	-
Other Payable	2,76,519.09	2,60,841.87	1,92,952.01
Total ::::	**32,11,946.34**	**20,38,126.61**	**17,76,038.40**

NOTE - 23
OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Current Maturities of Long-Term Debt			
(Refer Note No. 17)			
(i) Secured - at amortised Cost			
From Financial Institutions	4,82,271.73	2,99,570.24	4,68,572.76
From Banks	2,89,390.22	1,36,511.56	77,139.14
(ii) Unsecured - at amortised Cost			
From Government of Maharashtra	193.16	193.16	556.04
Deposits			
From Consumers	7,523.18	9,053.73	8,237.72
From Others	1,686.79	2,309.70	2,411.14
From Supplier & Contractors	18,627.86	16,924.62	7,478.23
From collection agencies	6,459.88	4,982.59	3,239.39
Other Payable			
Retention money Payable for capital Supplies & services	1,73,090.13	1,61,501.68	71,035.45
Interest Accrued but not due			
(i) On loans	25,641.59	27,120.23	39,844.58
(ii) On Deposit	34,206.48	70,614.50	60,267.05
(iii) Others	7,887.26	5,509.47	2,834.07
Payable to Government of Maharashtra towards Electricity			
Duty and Tax on sale of Electricity	7,67,180.01	7,57,031.32	1,13,179.23
MSEB Holding Co Limited	4,11,247.55	4,09,811.37	4,07,964.69
Interest on Trade Payable for purchase of Power	5,62,825.05	3,90,766.93	3,59,204.89
Interest on Trade Payable for Transmission Charges	91,738.36	97,051.36	87,933.93
Lease Liability	4,032.49	3,640.14	-
Others	1,32,581.77	1,30,240.76	1,51,368.94
Total ::::	**30,16,583.51**	**25,22,833.36**	**18,61,267.25**

NOTE - 24
PROVISIONS - CURRENT

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Provision for employee benefits			
(a) Provision for Gratuity [refer Note no. 36(10)(A)(ii)]	19,883.19	27,008.61	36,789.09
(b) Provision for Leave encashment [refer Note 36(10)(A)(iii)]	16,910.95	22,406.38	26,545.00
(c) Provision for Pay Fixation arrears	29,939.46	57,947.00	53,751.00
(d) Provison for Pension	50.80	60.15	-
Provision for Renewable Power Obligation [refer Note no. 36(3)]	4,40,950.00	5,11,250.00	3,10,890.00
Total ::::	**5,07,734.40**	**6,18,672.14**	**4,27,975.09**

NOTE - 25
OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Liability for Grant towards Energisation of Agriclture Pump under Employement Guarantee Scheme	141.18	141.51	160.33
Duties & Taxes	11,458.09	12,754.31	8,859.59
Contributions from Consumers [refer note no. 36 (20)]	32,221.93	35,658.55	33,567.31
Grants [refer note no. 36 (20)]	62,602.00	59,083.08	49,023.18
Contingency Reserve [refer Note no 36(26)]	68,032.00	52,276.00	38,000.00
Current Maturity of Uday Loan [refer Note no.36 [23]]	-	99,200.00	99,200.00
Other Current Liabilities	70,167.20	87,359.20	27,376.95
Total ::::	**2,44,622.40**	**3,46,472.65**	**2,56,187.36**

NOTE - 26
CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED AS AT 31-Mar-21	CONSOLIDATED AS AT 31-Mar-20	CONSOLIDATED AS AT 01-Apr-19
Provision for taxes	-	11,614.07	25,154.65
Less : Advance Income Tax	-	408.37	218.53
Total ::::	**-**	**11,205.70**	**24,936.12**

NOTE - 27

REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
(a) Revenue from Sale of Power :	73,68,774.74	73,48,020.97
Less : Prompt Payment and Incremental Discount	64,613.40	33,724.93
Sub Total (a) :::::	**73,04,161.34**	**73,14,296.04**
(b) Other Operating Revenue		
Standby charges	40,190.10	39,926.09
Miscellaneous charges from consumers	26,831.98	21,922.27
Sub Total (b) :::::	**67,022.08**	**61,848.36**
Total ::::: (a+b)	**73,71,183.42**	**73,76,144.40**

NOTE - 28

OTHER INCOME

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
Interest Income		
(a) Interest from non current financial Investment valued at Amortised Cost	2,682.56	2,199.41
(b) Interest from Consumers	2,64,955.00	2,42,857.81
(c) Other	1,008.23	3,387.05
Contribution, Grants and Subsidies towards cost of Capital Assets [refer Note no. 36(20)]	98,638.85	99,387.15
Grant under Ujwal Discom Assurance Yojna UDAY Scheme [refer Note No 36(23)]	99,200.00	99,200.00
Revenue from subsidy & grant	-	3,500.00
Delayed Payment Charges	33,688.37	31,207.75
Provision for Bad & doubtful debts written back	46,504.63	3,28,225.73
Miscellaneous Income	29,634.20	34,217.38
Total :::::	**5,76,311.84**	**8,44,182.28**

NOTE - 29
PURCHASE OF POWER

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
Power Purchase Cost		
(a) Conventional Power	45,55,518.21	51,32,750.87
(b) Non Conventional Sources	7,97,882.15	7,40,455.36
Sub Total (a+b) :::::	**53,53,400.36**	**58,73,206.23**
(c)Less : Rebate	27,954.75	644.61
Sub Total (a+b-c) :::::	**53,25,445.61**	**58,72,561.62**
(d) Transmission Charges	9,39,694.09	8,77,358.50
Total (a+b-c+d) :::::	**62,65,139.70**	**67,49,920.12**

NOTE - 30
EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
Salaries, Wages and Allowances	4,31,615.31	4,09,170.96
Contribution to Provident and Other Funds	1,13,850.63	1,26,077.14
Staff Welfare Expenses	26,463.29	20,801.71
Less : Employee Cost Capitalised	34,689.84	37,492.79
Total :::::	**5,37,239.39**	**5,18,557.02**

NOTE - 31
REPAIRS & MAINTENANCE EXPENSES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
Plant & Equipment	1,09,074.04	65,711.45
Buidling	3,120.12	2,114.62
Others	571.47	7,065.72
Total :::::	**1,12,765.63**	**74,891.79**

NOTE - 32
ADMINISTRATION AND GENERAL EXPENSES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
Administrative Expenses	5,170.38	5,301.60
Legal & Professional Fees	1,423.64	3,874.84
Statutory Auditors fees [refer Note no. 36(19)]	114.30	124.39
Expenses towards Consumer Grievance Redressal Fourm	80.05	99.53
Conveyance and Travel	5,666.52	5,508.72
Commission/Collection charges	6,069.23	6,863.39
Fees & Subscription	1,519.54	1,514.84
Printing & stationery	1,521.58	1,475.86
Advertisement Expenses	615.12	755.65
Security Measures for Safety & Protection	16,178.47	13,684.95
Expenditure on Computer Billing	25,696.46	27,405.39
Vehicle running Expenses	137.03	135.21
Advt. of Tenders/Notices etc.	38.17	100.51
Others	6,633.25	4,792.70
Less: Administrative Charges Capitalised	4,684.35	5,665.95
Total :::::	**66,179.39**	**65,971.63**

NOTE - 33
FINANCE EXPENSES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
(A) Interest Expenses		
(a) On Loan from		
Banks	1,11,404.20	32,603.14
Financial Institutions	2,47,977.27	2,81,248.50
Other	6,585.41	13,808.30
Less : Interest Cost Capitalised*	1,097.45	239.07
	3,64,869.43	**3,27,420.87**
(b) On Security Deposits from Consumers	28,225.40	74,891.72
(c) Payable to Suppliers and Contractors	1,43,986.83	41,345.57
(d) Interest on Lease Liability	1,079.63	1,433.80
(e) Other	16.52	2,555.54
(f) Interest on Bills Discounting	30,404.10	-
(B) Other Borrowing Costs		
Financial Charges	657.95	892.76
Bank Charges	2,970.93	2,101.54
Total :::::(A+B)	**5,72,210.79**	**4,50,641.80**

*Note: Interest Cost is capitalised at 10.35 % p.a. (P.Y.9.92 %)

NOTE - 34

DEPRECIATION AND AMORTISATION

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
Depreciation on tangible fixed assets	3,35,359.32	3,02,815.63
Depreciation on Right of Use Assets	3,856.43	3,856.43
Amortisation on intangible fixed assets	238.32	235.26
Total :::::	**3,39,454.07**	**3,06,907.32**

NOTE - 35

OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	CONSOLIDATED FOR YEAR ENDED 31-Mar-2021	CONSOLIDATED FOR YEAR ENDED 31-Mar-2020
Miscellaneous Losses	2,805.34	736.73
Sundry Expenses	873.05	4,210.35
Contribution to Contigency Reserve as per MERC Regulation [refer Note no. 36(26)]	15,756.00	14,276.00
Bad debts [refer Note no. 36(6)(II) (i) (a)]	46,504.63	3,28,225.73
Expected Credit Loss [refer Note no. 36(6)(II) (i)]	4,22,719.67	3,25,427.58
Total :::::	**4,88,658.69**	**6,72,876.39**

NOTE NO. 36
ADDITIONAL NOTES TO ACCOUNTS

1. Contingent Liabilities, Contingent Assets and Commitments :

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
I.	Contingent Liabilities			
(a)	Claims against the MSEDCL not acknowledged as debts-			
	(i) Datar Switchgear Ltd. (refer para i below)	80,161	74,657	70,344
	(ii) Asian Electronics Ltd. (refer para ii below)	15,712	15,712	15,712
	(iii) Power Purchase (refer para iii below)	39,94,382	23,73,024	9,27,054
	(iv) MIDC Interest free Loan (refer para iv below)	6,940	6,940	6,940
	(v) Mula-Pravara Electric Co-op. Society Ltd. (refer para v below)	51,092	48,551	45,709
	(vi)Others (refer para vi below)	97,107	64,426	51,678
	Total of (a)	**42,45,394**	**25,83,310**	**11,17,437**
	Disputed Duties / Tax Demands			
(b)	(i) Income Tax	4,48,374	3,21,481	3,21,481
	(ii) TDS	1,193	1,080	3,615
	(iii) Excise Duty	140	140	133
	(iv) MVAT	5,02,707	4,19,217	1,88,266
	(v) Service Tax	44,951	44,951	44,949
	Total of (b)	**9,97,365**	**7,86,869**	**5,58,444**
	Total of (a+b)	**52,42,759**	**33,70,179**	**16,75,881**
II.	Contingent Assets (Refer para II below)	1,64,175	43,634	35,250
III.	Other Commitments	-	-	-
	Capital Commitments			
IV.	Liability against capital commitments (net of advances given)	1,10,384	2,32,651	5,47,443

I. Contingent Liabilities include :-

(i) Datar Switchgear Limited :

In an earlier year, erstwhile Maharashtra State Electricity Board (MSEB) had entered into a contract with Datar Switchgears Ltd. (DSL) for supply, erection, commissioning and maintenance of load management system panels on operating lease basis. After part execution of the contract, DSL has filed the suit for damages of panels & cost of possession before Hon. Bombay High Court (BHC), Mumbai. The matter is pending before Hon. BHC. The claim amount is ₹80,161Lakhs - including accumulated interest of ₹73,743 Lakhs (PY ₹ 74,657 Lakhs- including accumulated interest of ₹ 67,239 Lakhs).

(ii) Asian Electronics:

The lease rent payment to Asian Electronics Limited towards Low Tension Load Management System (LTLMS) panels installed by them has been stopped since June 2006, as LTLMS panels were not working. The dispute has been referred to Arbitrator by Asian Electronics Limited and a claim of ₹ 15,712Lakhs (PY ₹ 15,712) has been lodged against the company.

Further, Asian Electronics Limited is under process of liquidation, hence the claim of Asian Electronics Limited may not be materialised and liability may not arise.

(iii) Power purchase Liabilities :

(A) Dispute in Energy Bill:

a) The monthly bill of Sardar Sarovar Projects (SSP) is admitted by The Company @ 2.05 ₹/KWH as decided in the meeting of Government of Maharashtra, whereas the bill is raised by SSP @3.00 ₹/KWH without showing any arrears. In case, it is decided to pay @ ₹3 p/u, The Company will have an additional liability of ₹20,844 Lakhs (PY ₹35,034 Lakhs).

b) There is difference in energy/ supplementary bills raised by vendor and accepted by The Company and such billing difference is considered as contingent liabilities and details as under:

<table>
<tr><th>Generator</th><th>FY 2020-21</th><th>FY 2019-20</th></tr>
<tr><td>MSPGCL</td><td>47,957</td><td>25,677</td></tr>
<tr><td>MSETCL</td><td>24,231</td><td>22,697</td></tr>
<tr><td>NPCIL</td><td>73</td><td>9</td></tr>
<tr><td>APML 1320</td><td rowspan="4">2,40,818</td><td rowspan="4">27,500</td></tr>
<tr><td>APML 1200</td></tr>
<tr><td>APML 125</td></tr>
<tr><td>APML 440</td></tr>
<tr><td>RIPL 450</td><td rowspan="2">80,238</td><td rowspan="2">24,700</td></tr>
<tr><td>RIPL 750</td></tr>
<tr><td>CGPL</td><td>-</td><td>595</td></tr>
<tr><td>GMR</td><td>3,521</td><td>3,915</td></tr>
<tr><td>JSW</td><td>79</td><td>-</td></tr>
<tr><td>Sai Wardha</td><td>1,179</td><td>-</td></tr>
<tr><td>Total</td><td>3,98,096</td><td>1,05,093</td></tr>
</table>

c) Power Purchase Agreement (PPA) was executed between Ratnagiri Gas & Power Pvt. Ltd (RGPPL) and the Company on 10.04.2007. Gas supply from Krishna-Godavari D6 (KG D6) Basin was continuously reducing from September 2011 and subsequently was completely stopped from January 2014 onwards. Due to high cost of alternate fuel and to avoid any financial burden on its consumers, the Company has not accepted the power in accordance with clause 5.9 of PPA and did not pay capacity charges from May 2013 onwards.

CERC vide order dt. 30.7.2013 has allowed RGPPL to declare availability on R-LNG to recover capacity charges. The Company filed an appeal in APTEL against the said CERC Order. APTEL vide its order dated 22.04.2015, dismissed the appeal filed by the Company. Subsequently the Company filed an Appeal in the Supreme Court of India against the APTEL Order. Supreme Court of India has declined to entertain the appeal. However, Supreme Court of India gave liberty to the appellant to move the Supreme Court once again in the event it becomes so necessary.

As per RGPPL Letter dated 07.06.2019, earlier due amount of around ₹ 1,80,000 Lakhs (excluding surcharges) is kept in abeyance as per minutes of meeting held on 17.08.2015 at Prime Minister Office (PMO). RGPPL has been raising bills for capacity charges and interest and claimed ₹ 4,32,768 Lakhs upto March 2021 (PY ₹ 4,22,856 Lakhs). The Company has paid an amount of ₹18,101 Lakhs as advance against the amount due. The amount paid has been shown as part of deposit. The entire amount of ₹4,32,768 Lakhs (PY ₹ 4,22,856 Lakhs) is considered as contingent liability.

(B) Dispute Due to Rise in Coal Cost:

a) Disputed liability for compensatory tariff on account of New Coal Distribution Policy (NCDP):

The Government of India declared New Coal Distribution Policy (NCDP) on 23.07.2013. As per this new policy, Fuel Supply Agreement is allowed to be signed up to 65% to 75% of Aggregate Contract Quantity only. The balance coal is to be arranged by way of import by Coal India Ltd. / respective generator. As per directions of Ministry of Power, vide letter dated 31st July 2013, to all the States as well as State Commissions, higher cost of imported coal is to be considered for pass through as per modalities suggested by Central Electricity Regulatory Commission (CERC).

Adani Power Maharashtra Ltd (APML) and others had filed petition before Hon'ble MERC for compensation of incremental coal cost pass through due to NCDP seeking compensation over and above the tariff determined through Competitive bidding.

MERC passed an order on 07.03.2018 and allowed compensation to APML. The Company had filed appeal in APTEL. Hon. APTEL issued judgment in favour of APML and remanded back the matter to MERC to pass necessary orders based on its findings in the judgment. Subsequently, MERC issued consequential orders on 10.12.2020. Now, APML has submitted differential claims and the total claims are to the tune of ₹ 6,17,100 lakhs (₹ 3,83,800 lakhs and ₹ 2,33,300 lakhs towards principal and carrying cost resp.) The Company has paid the amount equivalent to ₹ 1,40,000 Lakhs and ₹ 38,500 lakhs towards interest.

Moreover, the Company has filed a Civil Appeal in Hon. Supreme Court challenging against APTEL's judgment. Considering the above, the Company may have to pay the balance claim of ₹ 4,38,600 lakhs along with carrying cost. Hence total amount to be considered for contingent liability is ₹ 4,38,600 lakhs(PY ₹ 1,80,700 lakhs).

b) MERC has held that the coal distribution policy i.e. SHAKTI policy (Scheme for Harnessing and Allocating Koyala Transparently in India) as Change in Law event and has allowed compensation to APML from April 2017 onwards. The Company had challenged the MERC orders in APTEL, however APTEL issued judgment on 28.09.2020 in favour of APML. Similar to NCDP matter, the Company has filed Civil Appeal in Supreme Court against the APTEL's judgment. APML has submitted differential claims of ₹ 5,14,400 Lakhs (₹ 4,63,400 Lakhs & ₹ 51,000 Lakhs towards principal and carrying cost resp.) The Company has made an ad hoc payment of ₹ 1,68,000 Lakhs towards principal liability. Hence the total amount to be considered for contingent liability under SHAKTI policy comes to the tune of ₹ 3,46,400 Lakhs (₹ 5,14,400 - ₹ 1,68,000). The Company has made an ad hoc payment of ₹ 1,68,000 lakhs towards principle liability and made provision for ₹ 28,858 lakhs.

Hence, the total amount to be considered for contingent liability under SHAKTI policy comes to ₹ 3,17,542 lakhs (₹ 5,14400 lakhs - ₹ 1,68,000 lakhs- ₹ 28,858 lakhs) (PY ₹ 1,59,353 lakhs).

c) CERC also has allowed compensation to GMR Worora Energy Ltd. (GWEL) towards domestic coal shortfall i.e. SHAKTI policy under the provisions of Change in law in PPAs vide its order in case no. 284 of 2018. The Company filed petition in APTEL but APTEL disposed-off the same on 11.03.2021. The Company has filed an appeal in Hon Supreme Court. GWEL has submitted its claim of ₹ 8,841 lakhs up to Mar 21 (₹ 8,014 lakhs & ₹ 827 lakhs towards Principal and carrying cost respectively). The Company has paid an amount of ₹ 3,742 lakhs and carrying cost of ₹ 637 lakhs. Hence, the contingent liability comes to ₹ 4,463 lakhs (PY ₹ 4,701 lakhs).

d) MERC has passed an order in case no. 68 of 2012 on 06.09.2019. In its order Hon. MERC held that, the de-allocation of LOAHRA coal block which was earlier allocated to APML for its 800 MW capacity plant at Tiroda constitutes as change in law event. APTEL had issued judgment in cross appeals filed in this matter in favour of APML. The Company has filed a Civil Appeal in Supreme Court against the judgment of APTEL. APML has raised an total claims of ₹ 9,83,300 lakhs (₹ 6,62,300 lakhs & ₹ 3,21,000 lakhs towards Principal and carrying cost respectively) The Company has made an adhoc payment of ₹ 2,99,200 lakhs towards principal Liability. Hence, the amount claimed by APML is shown as contingent liability of ₹ 6,84,000 lakhs (PY ₹ 4,13,631 lakhs).

e) MERC had passed an order allowing compensation to JSWEL towards various change in law events vide its order in case no. 123 of 2017. JSWEL claimed the bill including the compensation towards auxiliary consumption on power supplied through alternate sources. MERC disallowed this claim vide its order in case no 289 of 2018. However JSWEL has filed an appeal in APTEL against the order of MERC vide case no 33 of 2019. APTEL issued judgment in the matter on 20.10.2020, however, The Company has sought a clarification vide an application in APTEL on 24.05.2021. The same is pending. Therefore the amount of ₹ 2,608 lakhs (PY ₹ 2,147 lakhs)is considered as contingent liability.

(C) Dispute in DPS:

a) DPS of MSPGCL:

There is difference in DPS claimed by MSPGCL as compared to DPS worked out by the Company. The major reason for such variation is due to different methodology adopted by MSPGCL and the company i.e., appropriation of payment towards Interest 1st & balance if any, will be adjusted towards Principal by MSPGCL whereas the Company appropriates payments towards Principal 1st and then interest. However, there are no clear terms in the PPA regarding methodology for appropriation of payment. MSEB Holding Co. Ltd vide BR 450 dtd.27.08.2015 has directed MSPGCL to waive off DPS claimed against the Company on the outstanding principal amount freezed as on 31st July, 2015. However, MSPGCL has not considered waiver of DPS till date, and continued to claim DPS on such freezed amount. Besides there are some billing differences. Hence, difference in DPS claimed by MSPGCL and DPS liability worked out by the Company is considered as Contingent Liability. MSPGCL has claimed DPS of ₹ 2,51,151 lakhs for the FY 2020-21 and accounted for in FY 2021-22. DPS claimed up to Mar 2021 by MSPGCL is ₹ 14,86,210 lakhs as against DPS booked by the Company up to Mar 2021 is ₹ 4,11,226 lakhs. Hence difference of ₹10,74,984 lakhs (PY ₹ 6,80,617 Lakhs) is shown as contingent liabilities.

b) DPS of MSETCL:

MSEB Holding Co. Ltd vide BR 450 dtd. 27.08.2015 has directed MSETCL to waive off DPS claimed against the Company on the outstanding principal amount freezed as on 31st July, 2015. However, MSETCL has not considered waiver of DPS till date. Further, there is a difference in DPS on amounts adjusted by the Company and not adjusted by MSETCL. The difference of DPS claimed by MSETCL and recognised by the Company as on 31.03.2021 is shown as Contingent Liability i.e., ₹ 1,06,848 lakhs (PY ₹ 79,364 Lakhs) against MSETCL.

c) DPS of IPPs:

Power Purchase Agreement (PPA) with IPPs provide for delayed payment surcharge at SBI Prime Lending Rate plus 2%. Accordingly, the Company has provided for DPS at this rate till March 2016. However, RBI has introduced Base Rate system in place of PLR system w.e.f. 01.07.2010 & MCLR from Apr. 2016. The Company had file petition in MERC under "Change in Law" provisions of PPA for change in Rate of DPS from PLR to Base Rate/ MCLR. However, MERC rejected the Company's petition vide order dtd. 16.11.2017. The Company filed an appeal in APTEL vide appeal No. 77 of 2018 against MERC order. APTEL upheld MERC's order and as such the Company filled petition in Hon. Supreme court. Now, Supreme Court also upheld the decision of lower courts and therefore, the Company has made provision for additional DPS payable on undisputed claims as per MERC order in FY 2020-21. However, IPPs have claimed DPS on disputed bills also. Hence, there is difference of ₹ 5,01,838 Lakhs (PY ₹ 2,84,428 lakhs) in the amount of DPS claim which is considered as contingent liability as detailed below.

(₹in Lakhs)

Particulars	Contingent Liability on account of DPS		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Adani Power Maharashtra Ltd 1320 MW	4,25,964	97,186	36,077
Adani Power Maharashtra Ltd 1200 MW		1,15,422	35,861
Adani Power Maharashtra Ltd 125 MW		12,304	2,267
Adani Power Maharashtra Ltd 440 MW		14,328	2,862
Rattan India Power Ltd 450 MW	65,666	16,592	6,979
Rattan India Power Ltd 750 MW		11,735	4,443
JSW Energy Limited	1,983	10,890	9,417
GMR Warora Energy Ltd	8,002	5,971	2,880
Coastal Gujarat Power Ltd (CGPL)	219		
Sai Wardha	4		
TOTAL	**5,01,838**	**2,84,428**	**1,00,786**

d) DPS OF NPCIL :

There is difference in DPS claimed by NPCIL as compared to DPS worked out by the Company which is considered as Contingent liability as detailed below.

(₹ in Lakhs)

Name of the Vendor	DPS claimed by NPCIL	DPS liability provided by the Company	Difference as Contingent Liability
NPCIL KAP	8	-	8
NPCIL TAP 1&2	2,757	39	2,718
NPCIL TAP 3&4	4,213	247	3,965
TOTAL	**6,978**	**286**	**6,691**

Disputed bills of NPCIL not accepted by the Company hence DPC on disputed liability is not accepted. Secondly FAC rate revision bills are considered as due in instalments by the Company.

(D) Dispute in Encashment of Contract Performance Guarantee (CPG):

The Company had PPA with Lanco Vidarbh (the Generator) towards supply of power of 680 MW. Lanco Vidarbh failed to achieve the Schedule Commercial Operation Date (SCOD) as stipulated. As per terms of the PPA, the Company has encashed the CPG amounting to ₹ 5,100 Lakhs and recognised as income in the year of encashment.

However, the Generator approached the State Commission. Accordingly, MERC has directed to return the Bank Guarantee (BG) amount vide order in case no. 85 of 2016 & 135 of 2015. The Company has filed an appeal before APTEL and it is in process. The amount ₹ 5,100 Lakhs (PY ₹ 5,100 Lakhs) is considered as contingent liability.

(E) Most of the above mentioned amounts [covered by paragraphs (A) to (D) above] considered as Contingent Liability, if crystallised, would be allowed to be recovered through Aggregate Revenue Requirement (ARR) as per MERC Regulations, and are potential contingent assets. However, the amount of contingent asset, if any, that may arise on this account is not considered as such.

(iv) Interest Free Loan from Maharashtra Industrial Development Corporation (MIDC) (Refer Note 21):

The various electrical infrastructures up gradation and system improvement work at MIDC areas are carried out by the Company. Considering the urgency, necessity and financial condition of the Company, MIDC itself executes the work or provides funds to the Company. The cost incurred by MIDC or funds provided by MIDC are treated as interest free loan from MIDC.

MIDC has raised claim of various works done under MIDC areas amounting to ₹ 11,669 Lakhs, out of which based on details available, the Company based on available records has accepted claims amounting to ₹ 4,729 Lakhs and accounted for the same as interest free loan.

On the basis of Work Completion Report (WCR) and Handing Over Taking Over document received from field offices matched with the details provided by MIDC, the Company has repaid ₹ 2,224 Lakhs to MIDC Out of ₹ 4,729 Lakhs. ₹ 2,505 Lakhs are still unpaid due to non-availability of WCR and Handing Over Taking Over document. The amount not accounted of ₹ 6,940 Lakhs (₹ 11,669 Lakhs - ₹ 4,729 Lakhs) has been considered as Contingent Liability. The amount ₹ 6,940 lakhs when accounted would be capitalised.

Further, MIDC has sanctioned ₹ 9,848 Lakhs vide letter dated 23.01.2017, and the same is received by the Company on 24.01.2017. MIDC has not provided the detailed terms and condition of repayment of principal amount and interest payment.

However, the Company vide letter dated 15.03.2017, 20.06.2017, 26.02.2018, 29.08.2018, 28.01.2019, 02.04.2020 and 02.02.2021 requested MIDC to provide the Work Completion Report (WCR) and Handing Over Taking Over document against ₹ 9,271 Lakhs (Total Claim of MIDC ₹ 11,669 Lakhs - Refunded amount to MIDC ₹ 2,224 Lakhs - ₹ 174 Lakhs unpaid) and repayment schedule of the interest free loan of ₹ 9,848 Lakhs. But, the reply is awaited from MIDC.

Hence the total outstanding balance against MIDC Interest Free Loan is ₹ 12,352 Lakhs as on 31st March 2021 (₹ 2,505 Lakhs + ₹ 9,848 Lakhs).

(v) Deposits made by the Company with MERC against user charges for use of assets of Mula-Pravara Electric Co-op. Society Ltd. (Refer Note 6):

Mula-Pravara Electric Co-op. Society Ltd. (MPECS) was in the business of Distribution of Electricity as a Licensee from 1970. Govt. of Maharashtra (GoM) had taken a decision with respect to viable rate to be charged to MPECS for the period from April 1977 to April 2000 in the month of May 1999. Due to the implementation of GoM's decision of viable tariff, erstwhile MSEB suffered a revenue loss of ₹ 22,100 Lakhs. The MERC had determined the tariff rate to be charged to MPECS from May 2000. MPECS had continued defaulting full payment from 1977. Due to which at the end of Jan. 2011 arrears amounted to ₹ 2,34,920 Lakhs. MPECS challenged the tariff determined by MERC. The matter is pending before Hon'ble Supreme Court and no interim stay has been granted to MPECS.

The Company has also filed suit for recovery of arrears of ₹ 2,34,920 Lakhs before Civil Court, Shrirampur.

Considering the expiry of license of MPECS, the Company filed a petition before MERC for revocation/ suspension of MPECS license. Similarly MPECS also filed a petition for grant/continuation of license. Considering the expiry of licensee of MPECS on 31.01.2011, MERC vide its order dt. 27.01.2011 permitted the Company to supply the electricity in the areas of MPECS and decided the issue of license in favour of the Company. Accordingly, the Company is supplying the electricity w.e.f. 01.02.2011 in the said areas earlier serviced by MPECS using the infrastructure of MPECS.

MPECS challenged MERC order dt. 27.01.2011 and filed petition before Hon'ble APTEL. Hon'ble APTEL vide its order dt. 16.12.2011 directed MERC to review its decision for grant of license to the Company and also directed to continue the existing arrangement of supplying electricity in MPECS area by the Company, subject to payment of charges for use of distribution network of MPECS by the Company.

MERC decided that the Company being a deemed licensee, does not require fresh license after expiry of license of MPECS. MPECS challenged MERC order before ATPEL. These appeals are still pending before Hon'ble APTEL.

In the MPECS petition for user charges, MERC directed the Company to carry out the valuation of assets of MPECS and directed to pay ₹ 100 lakhs per month as interim charges for use of assets to MPECS and directed MPECS to provide the necessary details for valuation of assets to the Company. However, since MPECS failed to produce the fixed assets register and necessary documents to the Company, interim charges were not paid and valuation could not be done. Considering this MERC dismissed the matter of determination of user charges stating that, in the absence of the valuation of assets, MERC may not be able to determine the charges payable by the Company to MPECS for the use of the distribution assets.

MPECS thereafter filed appeal before Hon'ble APTEL in this regard in which Hon'ble APTEL vide its order dated 13.03.2015 directed the Company to pay ₹ 100 Lakhs to MPECS as interim arrangement and also directed MERC to carry out valuation of assets. The order of APTEL was challenged by the Company before Hon'ble Supreme Court. Hon'ble Supreme Court has directed to deposit ₹ 100 Lakhs per month to MERC instead of paying it to MPECS.

Accordingly, based on consultant's valuation report, MERC determined monthly charges payable to MPECS vide its order dt. 02.05.2016. The Company, being aggrieved by the said order, has challenged MERC order dt. 02.05.2016 before Hon'ble APTEL and Hon'ble APTEL on said appeal has passed an order directing as under-

a) The amount of ₹ 6,364 Lakhs deposited by the Company with the MERC together with interest accrued thereon be released to MPECS and consequently adjusted as user charges.

b) The Company will continue to pay an amount of ₹100 Lakhs per month to MPECS.

c) The Company to deposit monthly charges as per monthly schedule determined with MERC, after deducting ₹ 100 Lakhs paid to MPECS.

Accordingly, the Company has made payment as under:

(₹ in Lakhs)

Particular	Paid up to 31.03.2020	Paid during FY 2020-21	Paid up to 31.03.2021
MPESC (charged to statement of profit and loss)	11,064	1,200	12,264
MERC (Deposit)	48,551	2,541	51,092
Total	**59,615**	**3,741**	**63,356**

As such, the amount of ₹ 51,092 Lakhs (PY ₹ 48,551 Lakhs) deposited with MERC is considered as a contingent liability.

(vi) Others:

These claims relate to various cases filed against the Company mainly for matters related with tariff levied in the energy bill, unauthorised use of power, compensation claim in case of fatal & non-fatal accidents and interest on outstanding payment to the vendors. These claims have been disputed by the Company.

It is not practicable for the Company to estimate the timings of cash out flows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

II. Contingent Asset includes:

Contingent Asset includes following billing dispute Cases.

(₹ in Lakhs)

Sr. No.	Particular	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
1	Vodafone India Ltd. (since merged with and post-merger w.e.f. 31.08.2018 known as Vodafone Idea Ltd.)*	1,382	1,284	1,167
2	Idea Cellular Ltd (since merged with and post-merger w.e.f. 31.08.2018 known as Vodafone Idea Ltd.)*	2,653	2,481	2,275
3	Various Suppliers of Materials	31,780	31,808	31,808
4	Others**	1,28,360	8,060	-
	Total	**1,64,175**	**43,634**	**35,250**

* Vodafone India Ltd. and Idea Cellular Ltd. (both have merged with effect from 31st August 2018 and post-merger known as Vodafone Idea Ltd.) are High Tension (HT) consumers who were initially billed at industrial tariff. However, it has been observed that no industrial activity is carried out by these consumers and as such it would be appropriate to levy commercial tariff to them. Hence, the tariff category is changed and the differential amount was charged to the consumers. Aggrieved by this demand, these consumers filed writ petition in High Court for continuation of industrial tariff. The order in these matters is awaited. Since the revenue is booked as per industrial tariff, the differential amount is shown as contingent asset.

**M/s Reliance infocomm infrastructure Pvt. Ltd. is HT consumer having two connections, wherein it has been observed that no industrial activity is carried out by these consumers and as such it would be appropriate to levy commercial tariff to them, hence the provisional differential tariff bill for unauthorised use was issued to the consumers. However, the consumers filed writ petition in High Court. The order in these matters is awaited, since the demand for differential tariff is not booked, the same is shown as contingent asset.

III. Other Commitments:

The Company has executed PPAs for purchase of power up to capacity of around 37,792 MW for FY 2020-21 (PY 38,216 MW) with various Individual Power Plants (IPPs) and is committed to procuring power as per the requirement and on Merit Order Dispatch (MOD) principal as directed by MERC, at the rate as applicable from time to time.

2. Going Concern Assumption (Refer Note 16):

The accumulated losses of the Group as at 31st March 2021 are ₹ 25,23,627 Lakhs. (PY ₹ 24,01,011 Lakhs). The current liabilities as at 31st March 2021 (PY 31st March 2020) are in excess of its current assets.

The Company is the only power distribution licensee which caters to the requirements of all consumers in the state of Maharashtra except certain areas of Mumbai. Electricity, being essential service, needs to be supplied to the consumers on continuous (24 X 7) basis.

The Company recovers energy bills from various categories of consumers at the tariff determined by MERC on the Cost plus Tariff basis i.e. cost plus return on equity. The revenue gap, if any, is adjusted in the tariff of subsequent years' after due diligence by MERC. The tariff is fixed for control period up to FY 2024-25 and accordingly the projected cash flow is prepared upto FY 2024-25 which shows that the revenue generated is reasonably sufficient to meet out the expenses.

The Company has entered into long term power purchase agreements with various power generators for a period from 15 – 35 years and has been procuring power as per requirements from time to time. Recently, in order to tide over the liquidity crunch and ensure operational efficiency, GoM has taken over the debt of the Company which is being converted into grant in phased manner under UDAY scheme, launched by Government of India. Under the said Scheme, the GoM has also agreed to take over part of the losses incurred by the Company till FY 2021-22.

The Company has been consistent in meeting its day-to-day liabilities. The Company has also been regular in debt servicing of long term & short-term loans and there is no default in debt servicing.

Further, the Company is fully owned by GoM and various projects/ schemes are being implemented by GoM for improvement in distribution network & consumer service, considering the interest of the public at large. Such projects are funded by the GoM either in the form of equity or grant.

Considering the above and the fact that Government of Maharashtra is expected to infuse additional funds, as and when required, the financial statements have been drawn up on going concern basis and no adjustment is considered necessary to the carrying value of assets and liabilities.

3. **<u>Renewable Purchase Obligation (RPO) (Refer Note 24 & 29):</u>**

As per MERC RPO Regulations 2016, every Obligation Entity shall procure electricity generated from eligible Renewable Energy (RE) sources or purchase Renewable Energy Certificate (REC) to the extent of the percentages specified in Regulation, out of its total procurement of electricity from all sources in a year. The Company could not fulfil the RPO as per MERC specification.

i) Accounting of Renewable Purchase Obligation (RPO):

Till FY 2017-18, the Company was procuring RE power at the MERC determined preferential rate for fulfilment of RPO compliance and as such the provision for the shortfall in RPO till 31.03.2019 has been made at the respective average power purchase rate for solar and non-solar. MERC has issued RE Tariff Regulations, 2019 dated 30.12.2019 (Effective from 01.04.2020). As per Regulation 7.1 of the said Regulation, the tariff shall invariably be determined through a transparent process of competitive bidding in accordance with the Guidelines issued by the Central Government under Section 63 of the Act, inter-alia for all the types of RE Projects. Accordingly, the Company started floating tenders for procuring renewable power. The RE projects which were contracted during FY 2018-19 & FY 2019-20 through competitive bidding route, started supplying power from FY 2019-20. Hence, RPO provision of ₹ 2,00,360 Lakhs for FY 2019-20 only was made at discovered competitive bidding rate, while earlier provision was remained at average RE purchase rate.

In view of above MERC Regulations and increasing purchase quantum from short term and competitive bidding, the Company has made the provision for cumulative RPO shortfall at average Competitive bidding rate as on 31.03.2021 and withdrawn the net excess provision of ₹ 70,300 lakhs.

ii) Receivable from IEX/PXIL towards REC purchase:

The Hon'ble CERC had determined the forbearance and floor price for the renewable energy certificates (REC) applicable from 01.04.2017 vide its order dated 30.03.2017 is as below:

	Solar (₹/MWh)	Non-Solar (₹/MWh)
Forbearance Price	2400	3000
Floor Price	1000	1000

As the floor and forbearance prices were decreased, the Indian Wind Power Association (IWPA) and Green Energy Association (GEA) challenged CERC Order dated 30.03.2017 before the APTEL and thereafter before the Hon'ble Supreme Court against APTEL order dtd 23.04.2018.

The Hon'ble Supreme Court, vide its interim order dtd 14.05.2018, has given the directions and accordingly, CERC vide its letter dtd 28.05.2018 has informed as under-

a) Floor and forbearance prices of solar RECs for the purpose of trading at the power exchange shall continue to be governed in accordance with the Commission's order dtd 30.03.2017.

b) Trading in Non-solar REC issued prior to 01.04.2017 shall be carried out at the floor price of ₹. 1500/- Mwh. The obligated entities/ power exchanges shall deposit ₹. 500/- Mwh with Commission.

c) Arrangements as mentioned in (b) above shall be subject to the outcome of the Civil Appeal no. 4801 of 2018.

Consequently, the Company vide its various letter requested CERC/IEX/PXIL for refund of the amount of ₹ 20,510 lakhs deposited into the account of Hon'ble CERC on behalf of the Company with applicable interest pertaining to purchase of REC by the Company in FY 2017-18. However, no reply is received from CERC/IEX/PXIL, hence the Company has decided to file I.A. in Civil Appeal no. 4801 of 2018 before Hon'ble Supreme Court of India with a prayer, to direct CERC to refund the amount deposited into the account of CERC (₹ 20510 lakhs) with applicable interest pertaining to purchase of REC by the Company in FY 2017-18. Since this amount is not yet received, the Company has provided time loss of ₹ 4,187 on the amount of ₹ 20,510 lakhs receivable from IEX/PXIL.

4. Balance Confirmation :

Balances of Trade Payables, Loans & Advances, Other Current as well as Non- Current Assets/Liabilities are subject to reconciliation / confirmation and necessary adjustments, if any, from the respective parties. Balance confirmations of various post offices are not available. Hence these balances are subject to reconciliation/confirmation and necessary adjustments, if any. The management does not expect any material difference affecting the current year financial statement due to the same.

5. **Capital Work in Progress and Property Plant Equipment (Refer Note 3 & 3A):**

An asset is created based on the Work Completion Report (WCR) generated in the SAP–ERP system. Wherever the date of capitalisation in the system is later than actual capitalisation, the depreciation for the differential period is calculated and accounted for. In few cases, work has been completed but not capitalised. This has resulted in non-charging of depreciation in such cases. The amount of depreciation not provided for, however, is unascertainable.

6. **Financial Instruments:**

The classification of assets and liabilities has been given as below (Refer Balance Sheet):

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.

NOTE 36 (6) :

Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amount (in Lakhs)

	As at 31.03.2021				As at 31.03.2020				As at 01.04.2019			
	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
Financial assets												
(i) Investments in Equity	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in Bonds	-	-	31,340	33,989	-	-	31,370	33,420	-	-	18,573	19,087
(iii) Trade Receivables	-		48,97,472	48,97,472	-	-	39,45,989	39,45,989	-	-	30,06,095	30,06,095
(iv) Cash and Cash Equivalents	-	-	65,446	65,446	-	-	1,68,626	1,68,626	-	-	43,096	43,096
(v) Other Bank Balances	-	-	12,651	12,651	-	-	69,015	69,015	-	-	79,513	79,513
(vi) Loans	-	-	31,129	31,129	-	-	33,657	33,657	-	-	34,799	34,799
(vii) Other Financial Assets	-	-	8,28,450	8,28,450		-	8,76,690	8,76,690	-	-	10,63,840	10,63,840
Total	**-**	**-**	**58,66,488**	**58,69,137**	**-**	**-**	**51,25,347**	**51,27,397**		**-**	**42,45,916**	**42,46,430**
Financial liabilities												
(i) Borrowings including Current Maturities	-	-	35,08,678	35,08,678	-	-	38,09,887	38,09,887	-	-	33,21,255	33,21,255
(ii) Trade Payables	-	-	32,11,946	32,11,946	-	-	20,38,127	20,38,127	-	-	17,76,038	17,76,038
(iii) Other Financial Liabilities excl. Current Maturities	-	-	31,75,397	31,75,397	-	-	29,79,940	29,79,940	-	-	22,39,097	22,39,097
Total	**-**		**98,96,021**	**98,96,021**	**-**	**-**	**88,27,953**	**88,27,953**	**-**	**-**	**73,36,390**	**73,36,390**

Financial Risk Management:

Risk management framework

In its ordinary operations, the Company's activities expose it to various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has its risk management process which has been carried out at regular interval. The following is the summary of the main risks:

I. Regulatory Risk

The Company submits the Annual Revenue Requirement (ARR) to Maharashtra Electricity Regulatory Commission (MERC). The MERC after due diligence & prudence check determine the tariff to be charged to consumer. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically. The tariff is determined based on normative parameters as set out in the said Regulations. Any change in the normative parameters or guiding Regulatory provisions or perception will have impact on the income from sale of the power of the company.

II. The Company has identified financial risk and categorized them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category are as below.

(i) Credit Risk :

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from customers and investment securities. The Company establishes the policy for allowance for expected credit loss and impairment that represents its estimate of losses in respect of trade, other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amounts.

a) Trade Receivables including interest (Refer Note 10 & 13):

As per the accounting policy the Company has determined the allowance of expected credit loss on trade receivables taking into consideration its widespread base of customers as well as the social obligations that the Company has to fulfill as the primary electricity distributor in the state of Maharashtra.

Trade receivables being short term in nature, lifetime expected credit losses are measured, considering the asset as credit impaired, in case the customer does not pay on due dates. Following Ind AS 109, the Company has opted to exercise the practical expedient of determining the loss allowance on a provision matrix. This matrix takes into consideration appropriate grouping or segmentation of Customers and their ageing profile. the Company has determined forward looking information on the behavior pattern of the customer.

Further, while making the provision for expected credit loss:

(a) The Company has considered trade receivables from customers against whom legal proceedings have been initiated except MPECS.

(b) The Company has considered trade receivables due from distribution franchisees.

(c) The Company has considered trade receivables after deducting security deposits received from consumers on individual basis. The trade receivables to the extent of security deposit amount, is considered as secured receivables and the ECL are provided on such remaining unsecured receivables.

The total security deposit from consumers as per books of account and Information Technology (IT) data base are ₹ 8,53,103 Lakhs (FY 2019-20 ₹ 8,10,680 Lakhs FY 2018-19 ₹ 7,54,348 Lakhs) (Refer Note 18) and ₹ 8,44,713 Lakhs (FY 2019-20 ₹ 8,08,783 Lakhs FY 2018-19 ₹ 7,54,775 Lakhs) respectively. There is difference of ₹ 8,390 Lakhs (FY 2019-20 ₹ 1,897Lakhs FY 2018-19 ₹ 427 Lakhs) between the security deposit from consumers as per books of accounts and IT. However, provision for interest on Security Deposit is made as per IT report.

The movement in allowance for expected credit losses on trade receivable is as under (Refer Note 10, 13 & 35).

(₹ in Lakhs)

Particulars	Amount
ECL Allowance as on April 1, 2018	**8,88,183**
Addition during the FY 2018-19	2,15,265
Write-off during FY 2018-19	4,01,934
ECL Allowance as on March 31, 2019	**7,01,514**
Addition during the FY 2019-20	3,25,784
Write-off during FY 2019-20	3,28,226
ECL Allowance as on March 31, 2020	**6,99,072**
Addition during the FY 2020-21	4,15,997
Write-off during FY 2020-21	46,505
ECL Allowance as on March 31, 2021	**10,68,564**

b) Other Receivables (Refer Note 5, 6, 12, 13 & 35) :

Besides Trade Receivables, the Company has recognised an allowance for expected credit losses on other financial assets.

The movement in allowance for expected credit losses on other receivables is as under.

(₹ in Lakhs)

Particulars	Amount
ECL Allowance as on April 1, 2018	**19942**
Movement during FY 2018-19	5,798
ECL Allowance as on March 31, 2019	***25,740**
Movement during FY 2019-20	(318)
ECL Allowance as on March 31, 2020	***25,422**
Movement during FY 2020-21	7,828
ECL Allowance as on March 31, 2021	**33,250**

* It includes provision of bad and doubtful debts of ₹ 453 Lakhs (PY ₹ 453 Lakhs) on other receivables from related parties.

The details of computation of ECL on trade receivables & other receivables are as follows:

NOTE 36(6)(II)(i)(a) :

(₹ in Lakhs)

ECL on Trade Receivables including interest

Customer Category	Net Trade Receivables (Gross Outstanding after adjustments)	ECL Allowance	Percentage of Allowance to Net Outstanding	Net Trade Receivables (Gross Outstanding after adjustments)	ECL Allowance	Percentage of Allowance to Net Outstanding	Net Trade Receivables (Gross Outstanding after less allocated)	ECL Allowance	Percentage of Allowance to Net Outstanding
	As on 31 March 2021			As on 31 March 2020			As on 1 April 2019		
Government Customers	6,15,222	1,03,139	16.76%	5,41,261	1,21,790	22.50%	4,76,871	59,874	12.56%
*Regular Good	8,36,698	38,381	4.59%	5,26,067	12,280	2.33%	4,90,717	27,928	5.69%
*Regular Residual							2,294	454	19.79%
Agricultural	34,02,410	2,76,687	8.13%	30,18,029	3,33,402	11.05%	26,60,838	4,54,448	17.08%
Permanently Disconnected	5,55,715	4,75,763	85.61%	4,65,707	4,30,344	92.41%	6,83,876	4,31,464	63.09%
Sundry Debtors for Sale of Power to Franchisee	66,703	45,606	68.37%	16,221	216	1.33%	12,485	14	0.11%
Total	**54,76,748**	**9,39,576**	**17.16%**	**45,67,285**	**8,98,031**	**19.66%**	**43,27,081**	**9,74,182**	**22.51%**
Provision for bad and doubtful debts	1,29,267	1,28,988		1,29,267	1,29,267		1,29,267	1,29,267	-
PD including amnesty & Abhay Yojana write off				-	(22)		-	(4,01,934)	-
LT AG int write off				-	(2,20,410)		-	-	-
Government Consumers Int W/Off				-	(1,07,794)		-	-	-
Total of above	**56,06,014**	**10,68,564**	**19.06%**	**46,96,552**	**6,99,072**	**14.88%**	**44,56,348**	**7,01,515**	**25.19%**

NOTE 36(6)(II)(1)(b) :

ECL on Other Receivables

(₹ in Lakhs)

Particulars	Other Receivables	ECL Allowance	Percentage of Allowance to Net Outstanding	Other Receivables	ECL Allowance	Percentage of Allowance to Net Outstanding	Other Receivables	ECL Allowance	Percentage of Allowance to Net Outstanding
	As on 31 March 2021			As on 31 March 2020			As on 1 April 2019		
MSPGCL	47,016	15,887	33.79%	47,016	13,366	28.43%	47,008	12,209	25.97%
MSETCL	-	-	0.00%	7	-	0.00%			
Other State Electricity Boards							9,277	9,218	99.36%
Others deposits	2,284	1,282	56.13%	2,216	1,257	56.74%	1,878	1,200	63.90%
Total	**49,300**	**17,169**	**34.83%**	**49,238**	**14,623**	**29.70%**	**58,163**	**22,627**	**38.90%**
Provision for bad and doubtful other receivables:									
MSETCL							1,572	1,572	
MPDCL	247	247	100.00%	247	247	100.00%	247	247	100.00%
DPCL	207	207	100.00%	207	207	100.00%	207	207	100.00%
Other State Electricity Boards	9,429	9,277	98.39%	9,277	9,277	100.00%			
Loan & advances to Licensee	31	31	100.00%	31	31	100.00%	31	31	100.00%
Aadvances/ amounts recoverables from employees	1,124	1,124	100.00%	1,037	1,037	100.00%	1,056	1,056	100.00%
Old DCC bank balance provision	1,009	1,009	100.00%	-	-	0.00%	-	-	0.00%
Refund receivable from IEX & PXIL [ref note no. 36,3,(ii)]	20,510	4,187	20.42%						
Total of provision	32,556	16,082	49.40%	10,799	10,799	100.00%	3,113	3,113	100.00%
Grand total	**81,856**	**33,250**	**40.62%**	**60,038**	**25,422**	**42.32%**	**61,276**	**25,740**	**42.01%**

Note on Credit Risk Concentration

The Company does not have any credit risk concentration. It has more than 285 Lakhs (PY 278 Lakhs) consumers in various categories with diverse patterns of consumption of electricity.

c) Cash and Bank Balances: (Refer Note 11)

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Cash and Cash Equivalents	65,446	1,68,626	43,096
Other Bank Balances	12,651	69,015	79,514

Credit loss is not provided for cash and Bank Balances as they are held with the banks, having good reputation. However, in case of DCC banks provision for doubtful recovery has been provided to the extent of bank balance of ₹ 1,008 Lakhs.

(ii) Liquidity Risk :

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The 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 Board. The Company sources of liquidity include operating cash flows, cash and Bank Balances, 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.

a) Financing arrangements :

The Company has adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly approved by its Board. It's diversified source of funds and strong operating cash flows enable it to maintain requisite capital structure discipline. The financing products include buyer's credit loan clean & secured domestic term loan.

b) Arrangement for working capital facilities & securities given (Refer Note 21):

An arrangement for working capital facilities (fund based and non-fund based) including cash credit facility and Working Capital Demand Loan (WCDL) aggregating to ₹ 7,00,000 Lakhs (P.Y. ₹ 7,00,000 Lakhs) has been made with the various banks, details of which are as under:

Arrangement for working capital facilities (fund based and non-fund based) for FY 2020-21

(₹ in Lakhs)

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 31.03.2021	Fund Based balance as on 31.03.2021	Non Fund Based Limits	Non Fund Based Limits utilized as at 31.03.2021	Non Fund Based balances as on 31.03.2021
Canara Bank (Syndicate Bank merged with Canara Bank)	1,73,250	82,000	91,250	2,03,300	1,99,328	3972
Bank of India	34,000	-	34,000	95,000	84,561	10,438
Punjab National Bank (United Bank of India merged with PNB)	49,000	49,000	-	-	-	-
Bank of Maharashtra	63,750	62,500	1,250	11,700	11,268	432
State Bank of India	30,000	30,000	-	40,000	12,638	27,362
Total	**3,50,000**	**2,23,500**	**1,26,500**	**3,50,000**	***3,07,795**	**42,204**

* It includes Bank Guarantee of ₹ 1,623 Lakhs and Letter of Credit of ₹ 3,06,172Lakhs.

Arrangement for working capital facilities (fund based and non-fund based) for FY 2019-20.

(₹ in Lakhs)

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 31.03.2020	Fund Based balance as on 31.03.2020	Non Fund Based Limits	Non Fund Based Limits utilized as at 31.03.2020	Non Fund Based balances as on 31.03.2020
Canara Bank	1,50,000	1,44,000	6,000	2,00,000	1,99,385	615
Bank of India	34,000	34,000	-	95,000	79,726	15,274
United Bank of India	49,000	49,000	-	-	-	-
Syndicate Bank	23,250	23,250	-	3,300	-	3,300
Bank of Maharashtra	63,750	62,000	1,750	11,700	4,604	7,096
State Bank of India	30,000	30,000	-	40,000	-	40,000
Total	**3,50,000**	**3,42,250**	**7,750**	**3,50,000**	***2,83,715**	**66,285**

*It includes Bank Guarantee of ₹ 4,614 Lakhs and Letter of Credit of ₹ 2,79,101 Lakhs.

Arrangement for working capital facilities (fund based and non-fund based) for FY 2018-19.

(₹ in Lakhs)

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 01.04.2019	Fund Based balance as on 01.04.2019	Non Fund Based Limits	Non Fund Based Limits utilized as at 01.04.2019	Non Fund Based balances as on 01.04.2019
Canara Bank	1,50,000	1,41,500	8,500	2,00,000	1,93,248	6,752
Bank of India	34,000	-	34,000	95,000	69,823	25,177
United Bank of India	49,000	49,000	-	-	-	-
Syndicate Bank	38,250	38,250	-	3,300	-	3,300
Bank of Maharashtra	63,750	61,750	2,000	11,700	3,362	8,338
Untied GAP	15,000	-	15,000	40,000	-	40,000
Total	**3,50,000**	**2,90,500**	**59,500**	**3,50,000**	***2,66,433**	**83,567**

* It includes Bank Guarantee of ₹ 3,892 Lakhs and Letter of Credit of ₹ 2,62,541 Lakhs.

The above working facilities are secured by hypothecation of present & future book debts of the Company of the non-escrow circles.

The details of unsecured short term loans- bank & others are as under:

(₹ in Lakhs)

Particular	As at 31.03.2021	As at 31.03.2020	As at 31.03.2019
(I) Loans from banks (Short term Loan)			
(i) Maharashtra State Co-op. Bank	50,000	1,43,333	83,333
(ii) Ratnagiri District Co Op Bank	-	-	30,000
(iii) Thane District Co Op Bank	-	-	16,668
(II) Loan from Others			
(i) Interest free Loan from Maharashtra Industrial Development Corporation (MIDC)	12,352	12,352	12,352
(ii) Energy Development Agency Ltd	-	-	25,000
Total	**62,352**	**1,55,685**	**1,67,354**

c) Maturities of financial liabilities :

The amounts disclosed in the table are the contractual undiscounted cash flows (Refer Note 17, 18, 21, 22 & 23).

(ii) Maturities of financial liabilities

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

(₹ in Lakhs)

Particular	Contractual cash flows								
	As on 31 March 2021			As on 31 March 2020			As on 1 April 2019		
	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	10,45,358	17,09,030	10,43,420	9,21,861	20,65,853	8,12,548	4,57,854	18,28,944	10,34,457
Trade payables	32,11,946	-	-	21,71,096	-	-	17,73,889	-	-
Other financial liabilities	30,16,583	34,056	8,96,612	25,22,833	36,225	8,57,157	18,61,267	24,645	8,99,453
Total	**72,73,888**	**17,43,086**	**19,40,032**	**56,15,790**	**21,02,078**	**16,69,705**	**40,93,010**	**18,53,589**	**19,33,910**

(iii) Market Risk - Market Risk is further categorized as (a) Currency Risk, (b) Interest Rate Risk

a) Currency Risk:

The Company does not have any currency risk as it does not have any exposure to foreign currency loans.

b) Interest Rate Risk (Refer Note 17 & 21):

The Company's interest rate risk arises from the potential changes in interest rates on borrowings. The interest rate profile of the Company's interest bearing financial instruments is as follows.

(₹ in Lakhs)

	Carrying Amounts		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Fixed-rate instruments			
Financial liabilities- Borrowings	22,83,701	12,70,563	14,50,015
Variable-rate instruments			
Financial liabilities- Borrowings	15,01,754	25,30,282	18,58,888

c) Cash flow sensitivity analysis for variable-rate instruments (Refer Note 33)

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.

(₹ in Lakhs)

	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2021		31.03.2020		01.04.2019	
Floating rate borrowings	(3,754)	3,754	(6,326)	6,326	(4,647)	4,647
Cash flow sensitivity (net)	(3,754)	3,754	(6,326)	6,326	(4,647)	4,647

7. <u>Regulatory Assets (Refer Balance sheet and Profit and loss):</u>

i) Nature of rate regulated activities

As per Ind AS 114 Regulatory Deferral Accounts, the business of electricity distribution is a rate regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the Regulator determines tariff to be charged by the Company to its consumers based on prevailing Regulations.

ii) Recognition and measurement

The Company submits the Annual Revenue Requirement (ARR) to Maharashtra Electricity Regulatory Commission (MERC). The MERC after due diligence & prudence check determine the tariff to be charged to consumer. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically.

MERC vide order dated 30.03.2020 has approved the final truing up of Aggregate Revenue Requirement (ARR) FY 2017-18 & FY 2018-19, provisional truing up of FY 2019-20 and approved tariff for control period from FY 2020-21 to FY 2024-25.

Accordingly, Regulatory Asset of the Company as at 31st March 2020 is accounted for and the details are as follows:

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020	As at 31.03.2019
A	Opening Regulatory Asset	16,16,948	9,15,873	9,47,873
B	Regulatory income during the year:			
	i) Power purchase cost [excluding provision made of ₹ 2,00,360 lakhs (P.Y. ₹ 2,39,000 lakhs)towards shortfall of Renewable Power Obligation (RPO)]	62,65,140	67,49,920	63,44,733
	ii) Other expenses as per the terms of Tariff Regulations including ROE	12,19,442	11,77,376	8,39,451
	iii) Revenue billed during the year	73,04,161	73,14,296	72,74,885
	iv) Carrying Cost Allowed	1,10,499	88,075	58,700
	Regulatory income / (expenses) (i+ii-iii+iv)	2,90,919	7,01,075	(32,000)
C	Allowance/(disallowance) of income of previous year(s)	-	-	-
D	Closing Regulatory Asset/(Liability) (A+B+C)	19,07,867	16,16,948	9,15,873

iii) Risk associated with future recovery/ reversal of regulatory asset balance

a) Regulatory risk

The tariff is determined after considering PP cost, Operation and Maintenance cost, finance cost, depreciation, other expenses, Return on Equity (ROE) and non-tariff income and after applying prescribed norms. The tariff so determined by MERC is based on the MERC (Multi Year Tariff) Regulations which get revised periodically. The tariff is determined based on normative parameters as set out in the said Regulations. Any change in the normative parameters or guiding Regulatory provisions or perception will have impact on the income from sale of the power of the company.

b) **Demand Risk -** Change in consumer mix, shifting of existing consumers to alternative sources of supply and vice n versa, etc.

c) **Other risk including other market risk -** Short generation of power due to shortage of fuel, social and economic obligations etc.

These may have an impact on the recovery of regulatory asset balance.

8. Subsidy from GoM towards concession in Tariff (Refer Note 10):

Maharashtra Electricity Regulatory Commission (MERC) has powers to determine electricity tariff under section 61 & 62 of Electricity Act, 2003. The State Government has powers under section 65 of Electricity Act, 2003 to give concession in electricity tariff to any consumer or class of consumers. The State Government reimburses to the Company to the extent of subsidy granted to the consumers. As it is subsidy to consumers and not the Company, the Company accounts for the same in the books of account as "Receivable from Government of Maharashtra" under Trade Receivable and the 'Revenue From Sale of power' is booked at the MERC Tariff rate.

MERC, while determining the electricity tariff does not consider the concession/ subsidy given by the State Government in electricity tariff to any consumer or class of consumers. The electricity tariff determined by MERC is full tariff and not subsidised/concessional tariff. Thus the revenue from sale of power is not booked at the concessional tariff rate, but at MERC Tariff Rate i.e. rate without the concession/ subsidy in electricity tariff to any consumer or class of consumers given by the State Government. The subsidy given by the Government of Maharashtra is just like partial payment (to the extent of concession/subsidy) on behalf of concerned consumers / categories of consumers.

(₹ in Lakhs)

Year	Opening Balance Receivable from GoM.	Subsidy Accounted	Subsidy Received/Adjusted	Balance Receivable from GoM.
2018-19	2,10,254	10,34,557	11,66,207	*78,604
2019-20	*78,604	8,00,781	**5,69,962	3,09,423
2020-21	3,09,423	9,48,387	8,18,490	4,39,320

*After considering the adjustment of subsidy of ₹ 4,32,220 Lakhs against Electricity Duty/ Tax on sale of Electricity payable to GoM.

** It does not include subsidy of ₹ 4,32,220 Lakhs adjusted against Electricity Duty/ Tax on sale of Electricity in FY 2018-19.

9. Termination of Distribution Franchisee Agreement (Refer Note 10)

a) Global Tower Ltd. (GTL):

A Distribution Franchisee Agreement (DFA) was signed with Global Tower Ltd. (GTL) on 23.02.2011 for the designated Distribution Franchisee (DF) area of Aurangabad and it was handed over to GTL on 01.05.2011. As per provisions of DFA, GTL was to pay the invoice amount towards energy supplied by the Company at the input points of Aurangabad DF area within stipulated time. GTL failed to pay the full amount of invoice raised by the Company in time and the outstanding piled up.

The DFA with GTL was terminated with effect from 10th November, 2014 and the designated Distribution Franchisee (DF) area was taken over by the Company for further operations. The final dues from GTL are yet to be settled with due deliberation by the Board. Legal proceedings are initiated for recovery of receivable amount ₹ 44,727 Lakhs - including accumulated interest of ₹ 43,193 Lakhs (PY ₹ 37,506 Lakhs - including accumulated interest of ₹ 35,972Lakhs). The Company has provided 100% ECL on the said amount.

b) Spanco Nagpur Discom (SND) Limited:

SND Ltd (formerly Spanco Nagpur Discom Limited) was appointed as Distribution Franchisee (DF) of the Company for three divisions of Nagpur Zone and was operational since 01st May 2011.

However, SND Ltd has informed the Company about precarious financial position of the company and its inability to continue the DF operations in Nagpur area. Considering the deteriorating performance & financial crunch of SND Ltd, the Company decided to take over the operations of the Nagpur DF Area as per the request of SND Ltd. Thereafter, as per the provisions of DFA, Final Termination Notice was issued to SND Ltd on 07.09.2019 and designated area was taken over by the Company on 09.09.2019. Final termination account in respect of SND Ltd is in progress and provisional amount payable to SND Ltd is ₹ 5,400 Lakhs (PY ₹ 5,096Lakhs), however, the balance as per books of accounts is ₹ 16,298 lakhs. No effect to the said termination has been given in the financial statements as at 31st March 2021. The same is shown as contingent liability.

10. <u>Ind AS 19- Employee Benefits (Refer Note 19, 24 & 30):</u>

Post-Employment Benefits:

A) Defined Benefit Plan:

(i) Provident Fund :

The Company makes separate contribution towards provident fund to a defined benefit retirement plan. The provident fund is administered by the Trustees of the Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). Under the Scheme, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. In keeping with the guidance on implementing Ind AS 19 Employee Benefits, employer established provident funds are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The provision of ₹ 3476 lakhs has been made on account of shortfall in interest payable to the beneficiaries for FY 2019-20. However, there is no such shortfall for FY 2020-21.

Deficit, if any, having regard to the position of the fund as compared to aggregate liability is additionally contributed by the Company and recognized as expenses. During the year, the fair value of plan assets at the end of the year is more than the liability for subscription and interest as given under.

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

(₹ in Lakhs)

Sr.No.	Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
1.	Liability for subscriptions and interest payable to employees at the end of year	6,70,990	6,08,383	6,07,553
2.	Fair Value of Plan Assets at the end of year	7,23,110	6,41,427	6,13,456
3.	Surplus	52,120	33,090	*5,903

*Above mentioned figures as at 31.03.2019 does not include the additional impact of provident fund of ₹ 4,460 Lakhs arising on account of pay revision, which took place on 11th Sept, 2019 w.e.f. 01st April, 2018.

(b) Description of Plan Assets :

Sr. No.	Particulars	For the year ended 31st March, 2021 (in %)	For the year ended 31st March, 2020 (in %)	For the year ended 1st April, 2019 (in %)
1.	Central Government Securities	7.11	8.19	8.37
2.	Other Securities	31.03	28.98	27.89
3.	Listed Debt Securities	6.47	6.99	4.81
4.	Basel III Tier-I Bonds	31.95	29.77	32.27
5.	Exchange Traded Funds (ETF)	2.49	2.37	1.66
6.	Special Deposit Scheme	20.95	23.70	24.99

(ii) Gratuity (Unfunded Defined Benefit Plan) :

Gratuity payable to all employees of the Company is as per the provisions of the Payment of the Gratuity (Amendment) Act, 2018 or MSEB Gratuity Regulations 1960, whichever is beneficial to the employees.

Gratuity and Long Term Compensated Absences - as per actuarial valuations by independent actuaries at the year-end by using projected unit credit method as on 31st March, 2021 are recognized in the financial statements in respect of Employees Benefits Schemes.

Details of Gratuity disclosure as required by Ind AS –19 are given hereunder:

Table1. Change in Defined Benefit Obligation during the period

(₹ in Lakhs)

Particulars	Gratuity		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Opening Defined Benefit Obligation	2,27,644	2,24,756	2,09,905
Current Service Cost	17,187	13,748	12,495
Past Service Cost	-	-	-
Interest Cost	14,518	15,786	14,904
Actual Plan Participants' Contributions	-	-	-
Acquisition/Business Combination/Divestiture	-	-	-
Benefits Paid	(33,520)	(38,702)	(37,638)
Past Service Cost	-	-	-
Curtailments/Settlements	-	-	-
Actuarial (Gains)/Losses	(539)	12,056	25,089
Closing Defined Benefit Obligation	2,25,289	2,27,644	2,24,756

Table 2. Net Defined Benefit Asset/ (Liability)

(₹ in Lakhs)

Particulars	Gratuity		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Defined Benefit Obligation	2,25,289	2,27,644	2,24,756
Fair Value of plan Assets	-	-	-
(Surplus)/Deficit	2,25,289	2,27,644	2,24,756
Effect of Asset Ceiling	-	-	-
Net Defined Benefit Liability/(Asset)	2,25,289	2,27,644	2,24,756

Table 3: Major Actuarial Assumptions

Description	31 March 2021	31 March 2020	01 April 2019
Discount rate	6.95%	6.78%	7.65%
Future Basic salary increase	3% (with 18% increase in every 5th year)	3% (with 18% increase in every5th year)	3% (with 18% increases in every 5th year)
Withdrawal rate	Age based : Upto 50 years – 0.5% Thereafter – 2%	Age based : Upto 50 years – 0.5% Thereafter – 2%	Age based : Upto 50 years – 0.5% Thereafter – 2%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2006-08) ultimate
Retirement age	Class I, II, III -58 years Class IV- 60 years	Class I, II, III -58 years Class IV- 60 years	Class I, II, III -58 years Class IV- 60 years

Table 4: Sensitivity Analysis
The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ in Lakhs)

Description of Discount Rate	Gratuity		
	31 March 2021	31 March 2020	01 April 2019
a. Discount rate – 100 basis points	2,50,367	2,46,840	2,43,900
b. Discount rate – 100 basis points impact (%)	11.13%	8.43%	8.52%
c. Discount rate + 100 basis points	2,04,185	2,10,996	2,08,482
d. Discount rate – 100 basis points impact (%)	(9.37%)	(7.31%)	(7.24%)
Salary increase rate			
e. Rate – 100 basis points	2,02,754	2,11,125	2,08,282
f. Rate – 100 basis points impact (%)	(10.00%)	(7.26%)	(7.33%)
g. Rate + 100 basis points	2,51,671	2,46,983	2,43,793
h. Rate + 100 basis points impact (%)	11.71%	8.50%	8.47%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant. When calculating the sensitivity to the assumptions, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Table5 : Expected future cash flows :

(₹ in Lakhs)

Period	Gratuity		
	31 March 2021	31 March 2020	01 April 2019
Year 1	1,98,832	27,009	36,789
Year 2	16,560	19,322	27,667
Year 3	14,886	15,953	20,230
Year 4	16,619	14,453	16,505
Year 5	16,688	15,884	14,753
Year 6 to 10	84,794	80,644	80,555
Average Expected Future Working life (Years)	18.42	18.18	18.12

Table 6: Investment in Planned Assets:

The Company has not made investments in planned assets. Hence, disclosure of investment of planned assets is not given.

(iii) Leave Encashment Benefit (Other Long-Term employee benefits) :

Leave encashment is payable to all employees as per the Company's Employees Service Regulations, 2005. The Earned Leave (EL) and Half Average Pay (HAP) Leave can be accumulated upto 300 and 360 days respectively.

Details of Leave Encashment disclosure as required by Ind AS –19 are detailed hereunder:

Table1. Change in Defined Benefit Obligation during the period

(₹ in Lakhs)

Particulars	Leave Encashment		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Opening Defined Benefit Obligation	2,35,976	2,06,246	2,13,958
Current Service Cost	19,261	15,625	16,770
Past Service Cost	-	-	-
Interest Cost	15,240	14,763	15,446
Actual Plan Participants' Contributions	-	-	-
Acquisition/Business Combination/Divestiture	-	-	-
Benefits Paid	(23,585)	(27,632)	(33,005)
Past Service Cost	-	-	-
Curtailments/Settlements	-	-	-
Actuarial (Gains)/Losses	3,965	26,974	(6,924)
Closing Defined Benefit Obligation	2,50,857	2,35,976	2,06,246

Table2. Net Defined Benefit Asset/ (Liability)

(₹ in Lakhs)

Particulars	Leave Encashment		
	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
Defined Benefit Obligation	2,50,857	2,35,976	2,06,246
Fair Value of plan Assets	-	-	-
(Surplus)/Deficit	2,50,857	2,35,976	2,06,246
Effect of Asset Ceiling	-	-	-
Net Defined Benefit Liability/(Asset)	2,50,857	2,35,976	2,06,246

Table 3: Major Actuarial Assumptions

Description	31 March 2021	31 March 2020	01 April 2019
Discount rate	6.95	6.78%	7.65%
Future Basic salary increase	3% (with 18% increases in every 5th year)	3% (with 18% increases in every 5th year)	3% (with 18% increases in every 5th year)
Withdrawal rate	Upto 50 years – 0.5% Thereafter – 2%	Upto 50 years – 0.5% Thereafter – 2%	Age based :Upto 50 years – 0.5% Thereafter – 2%
Mortality rate	IALM (2012-14) ultimate	IALM (2012-14) ultimate	IALM (2006-08) ultimate
Retirement age	Class I, II, III -58 years Class IV- 60 years	Class I, II, III -58 years Class IV- 60 years	Class I, II, III -58 years Class IV- 60 years

Table 4: Sensitivity Analysis

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ in Lakhs)

Description of Discount Rate	Leave Encashement		
	31 March 2021	31 March 2020	01 April 2019
a. Discount rate – 100 basis points	2,83,081	2,60,313	2,27,732
b. Discount rate – 100 basis points impact (%)	12.85%	10.31%	10.42%
c. Discount rate + 100 basis points	2,23,993	2,15,171	1,88,243
d. Discount rate – 100 basis points impact (%)	(10.71%)	(8.82%)	(8.73%)
Salary increase rate			
e. Rate – 100 basis points	2,24,527	2,14,905	1,88,013
f. Rate – 100 basis points impact (%)	(10.50%)	(8.93%)	(8.84%)
g. Rate + 100 basis points	2,81,837	2,60,186	2,27,620
h. Rate + 100 basis points impact (%)	12.35%	10.26%	10.36%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant. When calculating the sensitivity to the assumptions, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Table 5 : Expected future cash flows :

(₹ in Lakhs)

Period	Leave Encashement		
	31 March 2021	31 March 2020	01 April 2019
Year 1	16,911	22,406	26,545
Year 2	14,303	16,329	20,346
Year 3	13,063	13,810	15,123
Year 4	15,051	12,681	12,592
Year 5	15,295	14,459	11,453
Year 6 to 10	83,898	77,977	67,590
Average Expected Future Working life (Years)	18.42	18.18	18.13

Table 6: Investment in Planned Assets :

The Company has not made investments in planned assets. Hence, disclosure of investment of planned assets is not given.

(iv) Pension to Ex-Employees:

Employees working in other State Electricity Boards were absorbed in erstwhile MSEB during 1960's. Before absorption the employees were entitled for pension and the same is continued in erstwhile MSEB and thereafter in the Company as well. All the employees are retired from the services of the Company. The actuarial valuation of pension to such employees is done for the first time in FY 2019-20. As on 31st March, 2021 there are 24 (PY 25) ex-employees whose actuarial valuation is done as under:

(₹ in Lakhs)

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Defined Benefit Cost: P&L (Income)/Loss	29	414
Other Comprehensive (Income)/Loss	(4)	57
Defined Benefit Obligation	386	414
Fair Value of Plan Assets	-	-
Unrecognised Actuarial (Gains)/Losses	-	-
Effect of Asset Ceiling	-	-
Net Liability (Asset) at the end of the year	386	414
Discount Rate at Year – end	6.95%	7.50%

Current/ Non-Current Liability is as under:

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Current Liability	51	60
Non-Current Liability	335	354
Non-Current Asset	-	-
Total	386	414

B) Defined Contribution Plan:

(i) Provision from Staff Welfare expenses:

This provision is made as per the requirement of regulation 104(a) of MSEB/MSEDCL Employees Service Regulation. Hence, the Board under its Resolution No. 8575 dated 23rd April, 1973 has accorded its approval to the setting up of Staff Welfare Fund and its administration in terms of the Staff Welfare Fund Regulations and Procedure.

The income sources for this provision are as follows:

a. ₹10 per month is recovered from the salary of each employee,

b. Recovery of Notice Pay from employees,

c. Recovery of Fines from employees,

d. Amount equal to interest @ 18% p.a. on the balance in deposit amount is credited to this account as contribution from the Company (charged under the head Staff Welfare)

The expenditure incurred from this is as follows:

a. Scholarship to the children of employees,

b. Medical aid to the employee and their families,

c. First girl Child welfare, etc.

The Company has credited to the provision and booked as an expense the interest of ₹ 2,400 Lakhs (PY ₹ 1,973 Lakhs). Unspent amount as on 31.03.2021 is ₹ 15,366 Lakhs (PY ₹ 12,758 Lakhs).

(ii) Monthly Monetary Benefit Scheme (MMBS):

This scheme is set up with a view to pay Monthly Monetary Benefit in lieu of employment to the dependents of employees, i.e., employees who have died while in the service of the Board or employees who have retired prematurely on medical grounds before attaining the age of 50 years.

In pursuance of the approval of the Government of Maharashtra, The MSEB Employees' Dependents Welfare Trust Regulations has been approved w.e.f. 01st Nov, 1998.

For this purpose ₹ 30 per month per employee as employee contribution and ₹ 40 per month per employee as a company contribution is credited to MMBS account and paid to the MSEB Employees Dependent Welfare Trust.

The Company's contribution to MMBS is booked as an expense of ₹261 Lakhs (PY ₹ 273Lakhs).

11. Taxation (Refer Note 26 & Profit & Loss Account):

(I) Current Tax –

There is tax liability under the Income Tax Act, 1961 is as shown below:

Income tax expense

(i) Income tax recognised in statement of profit and loss **(₹ in Lakhs)**

Sr. No.	Particulars	As at 31.03.2021	*As at 31.03.2020	As at 01.04.2019
A	**Current tax expense**			
	Current year	-	13,180	-
	Adjustment for earlier years	(11,074)	-	21,508
	Total current tax expense	**(11,074)**	**13,180**	**21,508**
B	**Deferred tax expense**	**-**	**-**	**-**
C	**Total tax expense (A+B)**	**(11,074)**	**13,180**	**21,508**

(ii) Income tax recognised in other comprehensive income

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	*As at 31.03.2020	As at 01.04.2019
A	**Current tax expense**			
B	Net actuarial (gains)/ losses on defined benefit plans	-	(2,106)	-
C	Deferred tax expense		-	-
	Total tax expense (A+B)	**-**	**(2,106)**	**-**

(iii) Reconciliation of tax expense and the accounting profit multiplied by applicable rate

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	*As at 31.03.2020	As at 01.04.2019
A	**Profit before tax including movement in regulatory deferral account balances**	**(1,43,234)**	**43,902**	**1,31,170**
B	**Tax at the applicable tax rate of 25.17% (PY 17.47%)**	**(36,052)**	**7,670**	**28,266**
C	**Tax effect of:**			
	Non-deductible tax expenses	1,06,268	447	-
	Provisions for doubtful debts and advances	1,06,399	56,852	47,631
	Provisions for non-moving items	625	-	331
	Adjustment	(1,86,954)	5,548	6,848
	Re measurement of defined benefit plans	-	(2,106)	(5,406)
	Bad debts written off	(11,705)	(57,337)	(86,612)
	Lower of the book loss/unabsorbed depreciation	21,139	-	-
D	**Current Year tax liability**	**-**	**11,074**	**-**
	Earlier Year tax liability		**-**	**21,508**
E	**Tax expense recognised in the statement of profit and loss***	**-**	**13,180**	**-**
F	**Tax expense recognised in the Other Comprehensive Income**	**-**	**(2,106)**	**-**

*The Government of India has introduced the Taxation Laws (Amendment) Ordinance, 2019 on 20th September, 2019. A new section 115BAA has been introduced by the Taxation Laws (Amendment) Act, 2019 to give the benefit of reduced tax rate for the domestic companies. A domestic company can opt for a lower rate of tax of 22% plus uniform surcharge @ 10% and education cess @ 4% for FY 2019-20 onwards. Such companies cannot avail any exemptions/incentives under different provisions of the Income Tax Act, 1961.

The provision for income tax of ₹ 11,074 lakhs for FY 2019-20 (AY 2020-21) was made in FY 2019-20 without considering the option of section 115BAA. While filling income tax return of AY 2020-21, the Company has availed the option of taxation of domestic companies at lower rate U/s 115BAA of the Income Tax Act, 1961 from AY 2020-21, i.e., from FY 2019-20. As there was no taxable income, income tax payable was nil. Hence the provision of ₹ 11,074 lakhs has been reversed during the current year.

(II) Deferred Tax -

Deferred Tax consists of the following items:

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
1.	Difference in WDV as per books and Income Tax Act	3,46,384	4,56,384	3,69,348
2.	Regulatory Asset	73,224	2,95,124	2,80,293
3.	**Deferred Tax Liability(1+2)**	**4,19,608**	**7,51,508**	**6,49,641**
4.	Expenses Allowable on payment basis	1,19,879	1,61,989	1,58,993
5.	Unabsorbed Depreciation/Loss	7,57,606	8,73,829	1,81,224
6.	Provision for Doubtful Debts	2,76,505	2,52,389	2,26,246
7.	MAT credit entitlement	-	32,582	21,508
8.	**Deferred Tax Asset(4 to 7)**	**11,53,990**	**13,20,789**	**9,34,997**
9.	**Net Deferred Tax Asset / (Liability)(8-3)**	**7,34,382**	**5,69,281**	**2,85,356**

In view of the uncertainty regarding generation of sufficient future taxable income, deferred tax assets have not been recognised.

12. <u>Impairment of Assets:</u>

In accordance with Ind AS 36 on 'Impairment of Assets' the Management of the Company has carried out a review of its assets with respect to economic performance. On the basis of the review, the Management is of the opinion that economic performance of the assets of the Company is reasonable and therefore there is no impairment as on the date of the Balance Sheet.

13. Micro, Small and Medium Enterprises information:

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 yearend together with the interest paid/payable as required by MSMED Act, 2006 is not disclosed. However, due care has been taken to release the payment within due date.

14. Foreign Currency Contracts:

The Company has not given any contracts to out of India entities and therefore nothing is done or receivable on account of foreign currency contracts.

15. Segment Reporting (Ind AS 108):

Board of Directors are collectively acting as the Company's "Chief Operating Decision maker" (CODM) within the meaning of Ind AS 108. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators. There is only one primary segment i.e. sale of power. Therefore, further disclosure as per IND AS 108 regarding Operating Segments is not required. The Company, however, discloses its operations under more than one segments as required by MERC while submitting its Annual Reveune Requirement for the purpose of Truing Up.

16. Earnings per Share (Refer Note 15 & Profit & Loss Account):

EPS is calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Profit Attributable to Equity Holders

A) Earnings per share (including regulatory income):

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Net Profit/ (net loss) after Tax (₹ in Lakhs)	(1,32,159)	68,455
Weighted average No. of equity shares for basic Earnings per shares	47,72,39,84,904	47,71,79,75,863
Earnings per share ₹ Basic	(0.28)	0.14
Weighted average No of equity shares for diluted Earnings per share	47,72,39,84,904	47,72,21,82,192
Diluted Earnings Per Share ₹	(0.28)	0.14

B) Earnings per share (excluding regulatory income):

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Net Profit/ (net loss) after Tax (₹ in Lakhs)	(4,23,078)	(6,32,620)
Diluted earnings per equity share-Weighted average no of equity shares outstanding	47,72,39,84,904	47,72,21,82,192
Earnings per share ₹ Basic	(0.89)	(1.33)
Diluted Earnings Per Share ₹	(0.89)	(1.33)

C) Reconciliation of Number of shares:

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Basic earnings per equity share-Weighted average no of equity shares outstanding	47,72,39,84,904	47,71,79,75,863
Effect of dilutive common equivalent shares-Share application money pending allotment	-	42,06,329
Diluted earnings per equity share-Weighted average no of equity shares outstanding	47,72,39,84,904	47,72,21,82,192

17. Technical Parameters and Subsidy related information:

Sr. No.	Particulars	UNIT	FY 2020-21	FY 2019-20	FY 2018-19
A	Gross Energy Generated	MU	NA	NA	NA
B	Less: Auxiliary Consumption	MU	NA	NA	NA
C	Energy Purchased (Gross)	MU	1,32,485	1,32,020	1,36,253
D	Input Open Access	MU	4,700	4,543	5,322
E	Total Input Energy (A-B+C+D)	MU	1,37,185	1,36,563	1,41,575
F	Less: Energy Traded/ Inter-state sales (Net)	MU	285	841	1,134
G	Less: Transmission Loss	MU	7,621	7,449	7,905
	Transmission Losses (%) (G/E)		5.56	5.45	5.58
H	Net Input Energy (E-F-G)	MU	1,29,279	1,28,273	1,32,536
I	Energy sold	MU	1,05,199	1,07,866	1,09,605
J	Open Access Sale	MU	4,314	4,156	4,822
K	Total Energy Sold (I+J)	MU	1,09,513	1,12,022	1,14,427
	Distribution Loss	MU	19,766	20,407	18,109
	Distribution Loss (%) (Dist loss/net input energy)		15.29	15.91	13.66
L	Revenue from energy traded/inter-state sales (with respect to units of F above)	₹ Lakhs	11,782	32,959	39,732
M	Subsidy Booked/ Built in the Revenue	₹ Lakhs	9,48,387	*8,00,781	10,34,557
N	Subsidy received	₹ Lakhs	8,18,490	*5,69,962	11,66,207

*Refer to Note 36(8)

18. Incentive Earned on REC repayment loan (Refer Note 33):

Ministry of Power (MOP), Government of India has introduced the concept of National Electricity Fund (NEF) Interest Subsidy scheme to provide interest on loans disbursed to State Power Distribution Utilities, in order to improve the infrastructure in Distribution Sector. The projects sanctioned by Rural Electrification Corporation (REC) during the FY 2012-13 and FY 2013-14 are eligible for NEF schemes.

Based on the parameters mentioned in the scheme, the Company has submitted the relevant details for the claim of interest subsidy for the FY 2016-17 towards the interest paid by the Company amounting to ₹ 36,024 Lakhs. REC vide letter dated 17.03.2020 informed that NEF Steering Committee has approved interest subsidy of 3% i.e. ₹9,496 Lakhs under NEF for FY 2016-17 (PY ₹ 6,452 Lakhs for FY 2015-16) based on the evaluation carried out by the Independent Evaluator in accordance with NEF Guidelines. REC has adjusted interest subsidy amount of ₹ 2,951 Lakhs (PY ₹ 4064 lakhs) against the Principal and Interest demand due on 30.07.2020. The Company has reduced the interest cost to that extent so that the benefits can be passed on to consumers.

19. Auditors' Remuneration (Refer Note 32):

(₹ in Lakhs)

Sr. No	Particulars	FY 2020-21	FY 2019-20	FY 2018-19
1.	Statutory Audit	96	96	81
2.	Reimbursement of Expenses	-	6	7
3.	GST on Audit Fees	17	17	15

20. Government Grants and Consumers Contributions (Refer Note 20, 25 & 28):

Government Grants, Subsidies and Consumer contributions have been received for the cost of distribution network. The same have been accounted for as government grant/consumer contribution and amortised over the useful life of such assets. There are no other unfulfilled conditions or contingencies attached to these receipts.

(₹ in Lakhs)

Particulars	Grant			Consumer Contribution		
	31st March 2021	31st March 2020	1st April 2019	31st March 2021	31st March 2020	1st April 2019
As at 1st April	7,59,671	6,07,558	4,19,092	*2,77,778	*3,01,208	2,98,182
Less: Adjustments	-	-		-	**9,519	
Add: Received during the year	91,767	1,94,795	2,37,488	30,205	42,794	365,93
Less: Amortised to the statement of profit and loss	64,501	42,682	49,023	34,138	56,706	33,567
As at 31st March	**7,86,937**	**7,59,671**	**6,07,558**	**2,73,845**	***2,77,778**	***3,01,208**
Current	62,602	59,083	49,023	32,222	35,659	33,567
Non-current	7,24,335	7,00,588	5,58,535	2,41,623	2,42,119	2,67,641

* i) It includes Contribution from GoM through REC for RGGVY (Refer Note 18)
ii) Reclassification of SLC/ORC to other financial liabilities – current [Refer Note 36(32)(4)]
** [Refer Note 36(30)(C)]

21. Related Party :

As per the definition of 'Related Party' under Ind AS 24, following are the list of related parties:

a) **Ultimate Controller :**

Government of Maharashtra

b) **Holding Company:**

MSEB Holding Company Ltd (MSEBHCL)

c) **Fellow Subsidiaries:**

- Maharashtra State Power Generation Company Limited (MSPGCL)

- Maharashtra State Electricity Transmission Company Limited (MSETCL)
- Maharashtra Power Development Corporation Limited (MPDCL)

MSEDCL, MSPGCL, MSETCL and MPDCL are State Govt Companies and are subsidiaries of MSEB Holding Company Limited and thus fellow subsidiaries of the Company.

d) **Subsidiary of Fellow Subsidiaries**

- Dhopave Coastal Power Limited (DCPL)

e) **Key Management Persons (KMP):**

- Shri. Vijay Singhal, Chairman and Managing Director, MSEDCL (w.e.f. 01.02.2021)
- Shri. Aseemkumar Gupta, Chairman and Managing Director, MSEDCL (w.e.f. 18.01.2020 to 31.01.2021)
- Shri. Sanjeev Kumar, Chairman and Managing Director, MSEDCL (w.e.f. 21.12.2015 to 17.01.2020)
- Shri. Ravindra Sawant, Director (Finance), MSEDCL (w.e.f. 01.07.2020)
- Shri. Jaikumar Srinivasan, Director (Finance), MSEDCL (w.e.f. 02.02.2018 to 03.02.2020)
- Shri. Sanjay Taksande, Director (Operations) (w.e.f. 19.03.2021)
- Shri. Dinesh R. Saboo, Director (Operation) (w.e.f 01.11.2018 to06.10.2020)
- Shri. Bhalchandra Khandait, Director (Project) (w.e.f 15.01.2019)
- Shri. Satish Chavan, Director (Commercial) (w.e.f. 22.01.2018 to 21.01.2021)
- Shri. Pavan Kumar Ganjoo, Director (HR) (w.e.f. 10.04.2019 to 14.12.2020)
- Mrs. Anjali Gudekar, Company Secretary, MSEDCL.
- Smt. Pushpa Chavan, Director of APCL.

f) **Independent Directors :**

- Shri. Vishwas Pathak, Independent Director(from 14.08.2015 to 08.01.2020)
- Shri. Ashok Harane, Independent Director (from 02.01.2009 to 03.06.2019)
- Mrs.Juelee Wagh, Independent Director (from 04.06.2014 to 21.06.2020)
- Shri. Anil Palamwar, Independent Director (from 03.08.2019 to 25.06.2020)

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.

g) **Summary of significant transactions along with outstanding balances with related parties:**

Summary of significant transactions along with outstanding balances with related parties:

(₹ in Lakhs)

Sr. No.	Name of Party	Nature of Transaction	Transactions during the year	
			FY 2020-21	FY 2019-20
1	**Transactions with key Management Personnel of MSEDCL**			
	Shri Vijay Singhal (IAS)	Remuneration	2.83	-
	Shri Vijay Singhal (IAS)	Medical Reimbursment	0.38	-
	Shri Sanjeev Kumar	Remuneration	-	25.00
	Shri Ravindra Sawant	Remuneration	22.98	-
	Shri jaikumar Shrinivasan	Remuneration	-	37.00
	Shri Abhijit jayant Deshpande	Remuneration	-	-
	Shri Dineshchandra Rambilas Saboo	Remuneration	42.63	47.00
	Shri Sanjay Taksande	Remuneration	1.12	-
	Shri, Satish Vithalrao Chavan	Remuneration	41.53	31.00
	Shri Bhalchandra Khandait	Remuneration	38.39	35.00
	Shri Bhalchandra Khandait	Perquisits	5.74	-
	Shri Bhalchandra Khandait	Retirement benefit	79.74	-
	Shri Pavan Kumar Ganjoo	Remuneration	27.74	-
	Mrs.Anjali Gudekar	Remuneration	31.00	27.00
	Sub Total (a)		**294.07**	**202**
	Shri Vishwas Pathak	Sittting Pees	-	0.85
	Shri Ashok Harane	Sittting Fees	-	0.10
	Mrs.juelee Wagh	Sittting Fees	-	0.50
	Shri Anil Palamwar	Sittting Fees	-	0.50
	Sub Total (b)		**-**	**2.45**
	Total (a+b)		**294.07**	**204.45**
2	**Transactions with Holding Company**			
	MSEBHCL	Other Financial Liabilities - Current	1,436	1,847
3	**Transactions with Fellow Subsidiaries:**			
	MSPGCL	Purchase of Power	2,39,484	2,50,256
	MSETCL	Transmission Charges	56,053	13,740
	MSPGCL	Loans-Current	-	7
	MSETCL	Loans-Current (Unsecured, Considered good)	(7)	(1,565)
4	**Transactions with Subsidiaries of Fellow Subsidiaries:**			
	MSPGCL	Amount recognized in P & L as allowance for Expected Credit Loss	2,521	1,157
	MSETCL	Amount recognized in P & L as allowance for Expected Credit Loss	-	(1,572)

Note: Remunarration disclosed above excludes the impact of pay revision, which has been decided subsequent to the balance sheet date w.e.f, 01.04.2018

Sr. No.	Name of Party	Receivable / Payable	Closing Balance		
			Outstanding as on	Outstanding as on	Outstanding as on
			31.03.2021	31.03.2020	01.04.2019
1	**Balances with Holding Company**				
	MSEBHCL	Other Financial Liabilities - Current	4,11,248	4,09,811	4,07,965
2	**Balances with Fellow Subsidiaries:**		-		
	MSPGCL	Trade Payble - Purchase of Power	15,74,078	13,34,594	10,84,338
	MSETCL	Trade Payble - Transmission Charges	3,32,613	2,76,560	2,62,820
	MSPGCL	Loans-Current	47,016	47,016	47,008
	MSETCL	Loans-Current		7	1,572
	MSPGCL	Allowance for Expected Credit Loss	15,887	13,366	12,209
	MSETCL	Provision for bad and doubtful Other Receivable	-	-	1,572
3	**Balances with Subsidiaries of Fellow Subsidiaries:**				
	DCPL	Loans-Non Current (Unsecured, Considered doubtful)	207	207	207
	MPDCL	Loans-Non Current (Unsecured, Considered doubtful)	247	247	247
	DCPL	Provision for bad and doubtful Other Receivable	207	207	207
	MPDCL	Provision for bad and doubtful Other Receivable	247	247	247

h) **Difference between balances of the MSEDCL and Related Parties (Refer Note 12, 22 & 23):**
There is a difference in outstanding balances as on 31.03.2021, as appearing in the books of accounts of the Company and the related parties details of which are as under.

(₹ in Lakhs)

Name of Company	Maharashtra State Power Generation Co Ltd. (MSPGCL)			Maharashtra State Electricity Transmission Co Ltd. (MSETCL)			Maharashtra State Electricity Board Holding Co Ltd. (MSEBHCL)		
Nature Of transaction	Loans and Advances			Loans and Advances			Other Current Liabilities		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Balance as per the Company	47,016	47,016	47,008	-	7	1,572	4,11,248	4,09,811	4,07,965
Balance as per other Group Company	54,687	54,422	47,008	-	-	-	3,90,542	3,89,106	3,87,264
Difference	(7,671)	(7,406)	-	-	7	1,572	20,705	20,705	20,701

(₹ in Lakhs)

Name of Company	Maharashtra State Power Generation Co Ltd. (MSPGCL)			Maharashtra State Electricity Transmission Co Ltd. (MSETCL)		
Nature Of transaction	Trade Payable			Trade Payable		
	2020-21	2019-20	2018-19	2020-21	2019-20	2018-19
Balance as per the Company	15,74,073	13,34,586	10,81,758	3,32,621	2,76,560	NA
Balance as per other Group Company	24,26,502	17,60,801	13,29,535	4,64,401	2,91,267	NA
Difference	(8,52,429)	(4,26,215)	(2,47,777)	(1,31,780)	(14,707)	NA

i) **Amount Payable to/Receivable from Government of Maharashtra :**

(₹ in Lakhs)

Sr. No.	Particulars	At at 31.03.2021	At at 31.03.2020	At at 01.04.2019
1	Inspection Fees Payable (Refer Note 23)	498	498	498
2	Electricity Duty Payable (Refer Note 23)	5,70,287	5,90,053	93,795
3	Tax on Sale – Payable (Refer Note 23)	13,959	16,199	18,886
4	Subsidy Receivable (36(8)) (Refer Note 10)	4,39,320	3,09,423	78,604
5.	Grant Receivable (Refer Note 13)	17,741	14,509	97,561
6.	Equity Share Capital (Refer Note 15)	47,72,398	47,72,398	47,61,432
7.	RGGVY Loan (Refer Note 6)	6,907	6,686	6,407

All transactions with the related parties have been done at arm's length.

22. Refund of Service Line Charges (SLC), Out Right Contribution (ORC) & Meter Cost (Refer Note 23):

The Company had recovered the service line charges, Out Right Contribution (ORC) & Meter Cost from consumers while releasing new connections. MERC passed an order dated 08.09.2006 and directed the Company that the cost towards infrastructure from delivery point of transmission system to distributing mains should be borne by the Company.

After receipt of verdict from Hon'ble Supreme Court of India on 10th Nov 2016, MERC vide letter dated 20th July 2017 has further directed to comply with the Commission's Order to refund the collected amount to the consumers. Therefore after verification the eligible amount along with interest @ 6% is being refunded to respective consumers as per MERC's order. The SLC and ORC refundable to consumers is ₹ 14,255 Lakhs (PY ₹ 14,297 Lakhs).

23. Ujjwal Discom Assurance Yojana (UDAY) (Refer Note 20, 25 & 28):

The Scheme UDAY was launched by the Government of India on 20th November, 2015 to ensure a permanent and sustainable solution to the debt ridden Distribution utilities to achieve financial stability and growth.

As per the Tripartite MOU, signed by Ministry of Power, Govt. of India, Govt. of Maharashtra (GoM) and the Company on 07/10/2016, Government of Maharashtra shall take over Medium Term and Short Term debt of ₹ 4,95,975 Lakhs (Being 75% of ₹ 6,61,300 Lakhs, the debt of the Company as on 30th September 2015. The debt is taken over by GOM and shall be transferred to the Company as Grant/loan as shown in the following table:

(₹ in Lakhs)

Year	Total Debt taken over	Transfer to MSEDCL in the form of Loan	Transfer to MSEDCL in the form of Grants	Date of Government Resolution (GR)	Outstanding State loan of MSEDCL
16-17	20% of debt taken Over	4,95,975	99,175	31/03/2017	3,96,800
17-18	20% of debt taken Over		99,200	13/02/2018	2,97,600
18-19	20% of debt taken Over		99,200	13/02/2019	1,98,400
19-20	20% of debt taken Over		99,200	31/03/2020	99,200
20-21	20% of debt taken Over		99,200	31/03/2021	Nil
	Total		**4,95,975**		

The grant received from GoM under UDAY scheme is treated as Revenue Grant for accounting purpose and interest on outstanding loan is paid to GoM and booked accordingly.

The Company is paying interest on the outstanding loan of GoM at the rate at which GoM issued non SLR Bonds.

GoM issued Bonds through RBI and transferred ₹ 4,95,975 Lakhs (₹ 2,95,975 Lakhs @7.38 % p.a. and ₹ 2,00,000 Lakhs @7.33 % p.a.) to the Company on 13/02/2017.

As per MOU, Government of Maharashtra shall take over the future losses of the Companies in a graded manner as follows:

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Previous Year's DISCOM loss to be taken over by State	0% of the loss of 2014-15	0% of the loss of 2015-16	5% of the loss of 2016-17	10% of the loss of 2017-18	25% of the loss of 2018-19	50% of the loss of FY 2019-20

24. DDUGJY, IPDS & Smart Grid (Refer Note 11):

Government of India has launched "Deendayal Upadhyaya Gram Jyoti Yojna" (DDUGJY) and "Integrated Power Development Scheme" (IPDS) for strengthening of network in rural and urban area respectively.

The Company participated in DDUGJY and IPDS projects under these Schemes which are implemented on Turnkey basis. The amount received under these schemes is deposited in separate bank accounts and as per the directives of Ministry of Power (MoP), the interest earned on utilized subsidy component is to be remitted to Govt. of India's account on regular basis.

The details of Grant received utilised, balance to be utilized as on 31.03.2021 are as under:

(₹ in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	TOTAL
Opening Balance	11,669	20,217	31,886
Grant Received	15,787	11,004	26,791
Interest Received	140	355	495
Grant Utilized	24,803	29,316	54,119
Interest Paid to MoP	140	355	495
Remitted to MoP	-	-	-
Balance to be Utilized	2,653	1,905	4,558

The details of Grant received utilised, balance to be utilized and fixed deposit amount as on 31.03.2020 are as under:

(₹ in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	*Smart Grid	TOTAL
Opening Balance	18,934	530	270	19,734
Grant Received	21,980	70,215	-	92,195
Interest Received	53	922	-	975
Grant Utilized	28,973	50,485	-	79,458
Interest Paid to MoP	324	965	-	1,289
Balance to be Utilized	-	-	270	270
**FD Amount (Canara Bank)	11,669	20,217	-	31,886

*Since Smart Grid is not being implemented, the FD is withdrawn and remitted to MoP

**PFC vide letter dated 24.09.2019 requested to operate Saving bank account (without Corporate Liquid Term Deposit (CLTD) facility) under Central Sector (CS) Schemes instead of CLTD Account linked with Fixed Deposits (FD).

The details of Grant received utilised, balance to be utilized and fixed deposit amount as on 01.04.2019 are as under:

(₹ in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	Smart Grid	TOTAL
Opening Balance	19,318	13,554	279	33,151
Grant Received	60,756	6,868	0	67,624
Interest Received	522	106	15	643
Grant Utilized	61,211	19,753	0	80,964
Interest Paid to MoP	451	245	24	720
Balance to be Utilized	18,934	530	270	19,734
FD Amount (Canara Bank)	18,934	530	270	19,734

25. <u>Conversion of Loan into Grant under RAPDRP Scheme (Part 'A' and Part 'B') (Refer Note 17 & 21):</u>

Ministry of Power, Government of India, had launched the Restructured Accelerated Power Development and Reforms Programme (RAPDRP) in July 2008 with focus on establishment of base line data, fixation of accountability, reduction of Aggregate Technical & Commercial losses (AT & C losses) upto15% level. Projects under the scheme were taken up in two parts.

RAPDRP Part A

RAPDRP Part A is implemented in 128 towns where the Company undertakes distribution, with population of more than 30,000 as per Census 2001 and RAPDRP Part A SCADA (Supervisory Control And Data Acquisition)is implemented in 8 towns where population is more than 4 Lakhs as per Census 2001 and Annual Energy input greater than 350 Million Units.

Initially 100% funds for the approved projects are provided through loan from the Government of India on the terms decided by Ministry of Finance. The loan is to be converted into grant on completion of project duly verified by an independent agency.

RAPDRP Part B

RAPDRP Part B is implemented in 123 towns (120 Part Band 3 towns SCADA enabling component) of the Company with Population more than 30,000 as per Census 2001 and AT&C loss greater than 15 %.

50% of the loan amount of Part B projects is to be converted into grant on reduction of Aggregate Technical and Commercial (AT&C) losses of each town below 15 % and as per stipulated conditions.

(₹ in Lakhs)

Particulars	RAPDRP Part B
Sanctioned Amount	3,11,164
Final Project Cost	2,24,569
Eligible amount for conversion into grant	i.e. 50 % of the Project Cost in proportion to the reduction in the AT&C losses

The Status of Sanctioned Loan Amount and Disbursed For FY 2020-21 is as under(Refer Note 17) :

(₹ in Lakhs)

Particulars	Sanctioned Loan Amount	Disbursed Amount	Undrawn Amount	Total Repayment	Total Loan Outstanding
R-APDRP(A)	26,009	22,618	3,391	*13,480	9,138
R-APDRP SCADA (A)	11,657	7,384	4,273	*9,206	**(1,823)
R-APDRP (B)	76,931	55,606	21,325	9,519	46,087
R-APDRP SCADA (B)	867	592	275	66	526
TOTAL	**1,15,464**	**86,200**	**29,264**	**32,271**	**53,928**

*Includes repayment of principal and interest amount paid in moratorium period.
** Interest paid in moratorium period is adjusted against principal loan amount.

Final RAPDRP Closure amounting to ₹ 22,618 Lakhs has been approved by PFC/MOP. The conversion of Loan amount into grant is recommended in 13th Monitoring Committee Meeting Dt. 18.10.2018. In this context, PFC has not been sending the Demand against R-APDRP (Part-A) Loans to the Company and as such presently no repayment is made since Sept 2017. Further, no interest on this loan has been accounted since Sept 2017 and the interest amount already paid till that date is adjusted against the loan repayment. The necessary adjustment and consequential impact will be taken in the financial year in which conversion of loan into grant is approved. The eligible amount of ₹ 22,618 Lakhs under R-APDRP Part A is expected to be converted into grant after acceptance of the reports submitted to Third Party independent Agency appointed by PFC.

26. Recovery towards Infra Charges (Refer Note 23):

Nagpur Municipal Corporation (NMC) had undertaken a scheme for development of road under its jurisdiction. However, for such development the electric poles were to be shifted at many places. Hence, after due deliberation and as per HC order the Company agreed to bear 50% expenditure required for such shifting of poles on Integrated Road Development Project (IRDP) road only. Total expenditure as per estimates of NMC was ₹ 9,145 Lakhs and the Company was to spend ₹ 4,500 Lakhs.

The Company had submitted the proposal to Hon'ble MERC for recovery of such additional charges from consumers, as the work was to be done for consumers only. MERC vide order dt.16.08.2012 has decided to allow the Company to collect an additional charge of 9 paise per unit of consumption from the consumers in the O & M Divisions of the Company at Mahal, Gandhi baug ,Congress Nagar & Civil Lines under Nagpur Urban Circle. As per Commission's analysis, the Company shall be able to recover the entire cost of ₹ 4,500 Lakhs within the next three years based on the per unit charge of 9 paise per unit of consumption.

Accordingly, the Company has recovered ₹ 4,765 Lakhs from consumers during the period Sep.12 to Jan.16. The Shifting works are covered under 39 estimates amounting to ₹ 9,145 Lakhs. NMC has placed work orders for 19 works amounting to ₹ 4,098 Lakhs and the Company has paid ₹ 2,205 Lakhs towards its 50% share of 19 on going works under phase- I. NMC has been requested through various communications to complete the balance work.

Further, the Company has recovered additional 6 paise per unit from Feb 2019 from NMC area consumers towards expenditure that would be incurred for executing the work of shifting of electric polls, conversion of LT/ HT distribution network into underground by NMC and the Company under phase- II. The Company has remitted ₹ 2200 lakhs to NMC from the amount so recovered from consumers.

The Company has requested NMC to submit the progress of work and inform final amount to be deposited by the Company and the reply is awaited.

27. Contribution to Contingency Reserve (Refer Note 25 & 35):

As per MYT Regulation No 35.1, the Company is required to make contribution to the Contingency Reserve, a sum not less than 0.25 percent of the original cost of gross fixed assets annually as approved by MERC. Such contribution is also required to be invested in securities permitted under the Indian Trusts Act, 1882 within a period of six months of the close of the year.

The Company has created Contingency Reserve amounting to ₹ 1,25,732 Lakhs (including ₹ 15,756 Lakhs during the current year). Out of this ₹57,700 Lakhs (FY 2019-20 ₹ 57,700 Lakhs FY 2018-19 ₹ 57,700 Lakhs) is included under Other Equity and ₹68,032 Lakhs (FY 2019-20 ₹ 52,276 Lakhs FY 2018-19 ₹ 38,000 Lakhs) is included under Other Current Liabilities. The Company has invested ₹31,340 Lakhs up to March 2021 (FY 2019-20 ₹ 31,370 Lakhs FY 2018-19 ₹ 18,573 Lakhs) in the permitted securities.

28. Refund of Regulatory Liability Charges (Refer Note 35):

In F.Y. 2003-04 to 2006-07 Regulatory Liability charges were collected from the consumers, MERC had passed an order to refund an amount of ₹ 3,22,700 Lakhs to the consumers. The Company has refunded ₹ 3,12,273Lakhs upto 31.03.2021 (PY ₹ 3,12,394 Lakhs). No provision has been made for the balance amount.

29. Capital Management (Refer Note 15 & 17):

The Group's objective of capital management is to safeguard its ability to continue as a going concern and to maintain an appropriate capital structure. The group endeavours to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and availing loans at reasonable rates from financial institutions.

For the purpose of the group's capital management, equity capital includes issued equity capital and all other reserves attributable to the equity holders of the group. The group manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders.

The group monitors capital using gearing ratio, which is the ratio of long term debt to total net worth. The group includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The Capital Gearing Ratio is as under;

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
(a) Debt	35,08,193	33,11,466	28,63,401
(b) Total Equity	22,97,472	24,29,087	23,59,672
Gearing Ratio (a/b)	1.53	1.36	1.21

30. Disclosure as per Ind AS 115, "Revenue from contracts with customers" (Refer Note 27):

Ind AS 115 applies with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The major revenue of the Company comes from energy sales. The Company sells electricity to customers. The Company recognizes revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. Revenue from sale of energy is accounted for based on tariff rates approved by the MERC. Revenue from sale of energy is recognized once the electricity has been delivered to the beneficiary. Beneficiaries are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligation cannot be determined reliably for the entire duration of the contract

Disaggregation of revenue

(₹ in Lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Sale of Energy transferred over time	73,04,161	73,14,296

Reconciliation of revenue recognized with contract price:

(₹ in Lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Revenue from Contract with consumers	73,68,775	73,48,021
Adjustments for:		
Prompt Payment	30,933	33,725
incremental Discount (w.e.f. 01.04.2020)	33,680	-
Revenue recognized	73,04,161	73,14,296

Contract balance (Refer Note 10 & 13)

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are transferred to unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers who are referred as "advance from customers".

The following table provides information about trade receivables and unbilled revenue :

(₹ in Lakhs)

Particulars	As at 31st Mar 2021		As at 31st Mar 2020		As at 1st Apr 2019	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Trade receivables	48,97,472	-	39,45,989	-	30,06,095	-
Unbilled revenue	1,27,199	-	1,18,370	-	2,19,613	-

Practical expedients applied as per Ind AS 115:

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

31. <u>Statement of Net Assets and Profit and Loss attributable to Owners and Non-Controlling Interests</u>

Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests for FY 2020-21										
Name of the Entity	Net Assets i.e Total Assets minus total liabilities		Total Income i.e. Revenue Plus Other Income		Share of Profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net Income	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)
MSEDCL (Holding Company)	100	22,97,945	100	79,47,495	100	(1,32,160)	100	543	100	(1,31,616)
APCL (Subsidiary Company)	-	(620)	-	1	-	-	-	-	0	-
	**		**		**	*				
Non Controlling interest	-	-	-	-	-	-	-	-	-	-
Total	100	22,97,325	100	79,47,495	100	(1,32,160)	100	543	100	(1,31,616)

* Less than 1,00,000
**Less than 0.01%

Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests for FY 2019-20										
Name of the Entity	Net Assets i.e Total Assets minus total liabilities		Total Income i.e. Revenue Plus Other Income		Share of Profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net Income	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)
MSEDCL (Holding Company)	100	24,29,561	100	82,20,326	100	68,454	100	(12,113)	100	58,448
APCL (Subsidiary Company)	-	(619)	-	1	-	-	-	-	0	-
	**		**		**	*				
Non Controlling interest	-	-	-	-	-	-	-	-	-	-
Total	100	24,28,942	100	82,20,327	100	68,454	100	(12,113)	100	58,448

* Less than 1,00,000
**Less than 0.01%

Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests for FY 2018-19										
Name of the Entity	Net Assets i.e Total Assets minus total liabilities		Total Income i.e. Revenue Plus Other Income		Share of Profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net Income	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)	As % of Consolidated of net assets	Amount (₹in Lakhs)
MSEDCL (Holding Company)	100	23,60,147	100	85,59,560	100	2,88,627	100	(25,089)	100	2,63,538
APCL (Subsidiary Company)		(619)		1		-		-	-	
	**		**		**	*				
Non Controlling interest	-	-		-	-			-	-	
Total	100	23,59,528	100	85,59,561	100	1,09,663	100	(25,089)	100	84,574

* Less than 1,00,000
**Less than 0.01%

32. Accounting For Lease (Ind AS 116 Lease) :

(i) Ascertainment of Lease in the Power Purchase Arrangement:

The Company has entered into the power purchase agreements with MSPGCL and other generators. The significant output of power generated from MSPGCL and other generators is purchased by the Company. Hence the Company has tested the said power purchase arrangements so as to determine whether the arrangement contains an element of lease. It is identified that the arrangement conveys that the Company has "right" to use of the assets of MSPGCL and other generators. However, the Company has no obligation over the losses arising out of non-availability of power plant for power generation due to non-maintenance and the costs are borne by them. Accordingly, there is no transfer of risks & rewards to the Company from MSPGCL and other generators to this extent. Consequently, the arrangement does not satisfy the criteria of financial lease.

(ii) Leases Arrangements in Other Assets(Refer Note 23 & 18)

Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities as stated in the Note 3B, 18 and 23. The Company has not recognised right-of-use assets and lease liabilities for leases amounting to₹0.37 lakhs (PY ₹ 11 Lakhs), where rent is less than ₹ 10 lakh per month, recognised as an expense.

The following is the carrying amounts of Company's Right of use assets and the movement in lease liabilities during the year ended 31st March, 2021:

(₹ in Lakhs)

Particulars	Amount for FY 2020-21	Amount for FY 2019-20
Right of use assets (Property, Plant and Equipment)	11,569	
Additions on account of adoption of Ind AS 116 (on 1st April, 2020)	-	15,426
Depreciation and Amortisation Expenses	3,856	3,856
As at 31st March, 2021	7,713	11,569
Lease Liability as at 1st April, 2020	12,140	15,426
Lease Interest	1,079	1,433
Repayment of Lease Liabilities	4,719	4,719
Lease Liability as at 31st March, 2021	8,500	12,140
Lease Liability – Non Current	4,467	8,500
Lease Liability – Current	4,032	3,640

• Impact on the Statement of Profit and Loss for year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Right of use assets (Property, Plant & Equipment) FY 20-21	Right of use assets (Property, Plant & Equipment) FY 19-20
Depreciation expense of right-of-use assets	3,856	3,856
Interest on Leases (included in Finance expenses)	1,079	1,434
Total amount recognised in profit or loss	4,935	5,290

The Company has been supplying electricity in the areas previously being serviced by Mula-Pravara Electric Co-operative Society (MPECS) and has been using its infrastructure for the said purpose. The matter relating to payment of user charges is under dispute as mentioned above in Note 36(1)(I)(a)(v). Pending resolution of the dispute and in the absence of necessary contract, assessment as to applicability of Ind AS 116 has not been made.

33. Prior Period Items:

Under Ind AS 8' Accounting Policies, Changes in Accounting Estimates and Errors' material prior period errors shall be corrected by retrospective effect. In the current year the company has income / expenditure (Net) pertaining to previous year, more than the threshold limit, hence prior period balances are restated accordingly.

a) DPS of MSGPCL:

The error was observed in the calculation of DPC for earlier years. Hence excess DPS amount of ₹ 2,02,113 lakhs provided erroneously in earlier years has been restated.

b) DPS Of MSETCL:

The excess DPS amount of ₹ 5,493 lakhs provided erroneously in earlier years has been restated.

c) RPO:

Refer to Note 36(3)(I) The Company has not made the provision for cumulative RPO shortfall at average Competitive bidding rate as on 31.03.2020. As such excess provision of ₹ 1,35,119 lakhs, erroneously made in FY 2019-20 has been restated.

As a result, certain line items have been restated in the Balance Sheet and Statement of profit and loss the details of which are as under:

Restatement of Balanceshe et as at 31st March 2020					(₹ in Lakhs)
Sr. No.	Particulars	Note No.	Reported amount as at 31st March 2020	Reclassification /Restatment	After Reclassification /Restatment
1	**NON-CURRENT ASSETS**	3,3A			
	Property, Plant & Equipment		62,40,772		62,40,594
	(+) Meters earlier debited to Repair and Maintenance			7,197	
	(-) Short/Excess Depreciation			7,376	
2	**OTHER FINANCIAL ASSETS - CURRENT**	13	7,88,560		7,93,322
	(+) Solar Pump Grant Central Govt*			4,924	
	(-) Other Receivables			162	
3	**EQUITY**				
	Other Equity	16	(25,59,951)		(23,43,311)
	(-) Excess revenue recognised			162	
	(-) Excess recognition of Regulatory Income			1,43,586	
	(+) Excess provision of Purchase of Power			3,544	
	(-) Short provision of Purchase of Power			5,693	
	(+) Excess provision of RPO.			1,35,119	
	(+) Excess provision of Employee Expenses			23	
	(+) Meters earlier debited to Repair and Maintenance			7,197	
	(+) Excess provision of Repair and maintenance			3,443	
	(-) Short provision of Administration and General Expenses			161	
	(+) Excess provision of Finance Expenses			98	
	(+) Excess provision of DPC payable to PP and transmission vendors			2,07,606	
	(-) Short / Excess Depreciation			7,376	
	(-) Short provision of Other Expenses			913	
	(+) Excess provision of Regulatory Expense			17,500	
4	**CURRENT LIABILITIES - Financial liabilities**				
	Trade payables	22	21,71,096		20,38,127
	(-) Excess provision of RPO			1,35,119	
	(-) Excess provision of Purchase of Power			3,544	
	(+) Short provision of Purchase of Power			5,693	
5	**OTHER FINANCIAL LIABILITIES - CURRENT**	23	27,32,930		25,22,833
	(-) Excess provision of DPC payable to PP and transmission vendors			2,07,606	
	(-) Excess employee provision			23	
	(-) Excess provision of Repair and maintenance			3,443	
	(+) Short Admin provision			161	
	(-) Excess interest provision			98	
	(+) Other expenses			913	
6	**OTHER CURRENT LIABILITIES**	25	3,41,549		3,46,473
	(+) Solar Pump Grant Central Govt*			4,924	

Restatement of Balanceshe et as at 31st April 2019

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Reported amount as at 31st April 2019	Reclassification /Restatment	After Reclassification /Restatment
1	**NON-CURRENT ASSETS**	3,3A			
	Property, plant and equipment		61,03,791		60,96,496
	(+) Meters earlier debited to Repair and Maintenance			210	
	(-) Short Depreciation			7,504	
2	**OTHER FINANCIAL ASSETS - CURRENT**	13	9,86,097		9,90,955
	(+) Solar Pump Grant Central Govt*			4,857	
3	**EQUITY**				
	-Other Equity	16	(25,80,724)		(24,01,760)
	(+) Excess provision of Purchase of Power			3,544	
	(-) Short provision of Purchase of Power			5,693	
	(+) Excess provision of DPC payable to vendors			1,71,131	
	(+) Excess provision of Employee Expenses			23	
	(+) Meters earlier debited to Repair and Maintenance			210	
	(+) Excess provision of Repair and maintenance			135	
	(-) Short provision of Administration and General Expenses			161	
	(+) Excess provision of Finance Expenses			98	
	(-) Short/ Excess Depreciation			7,504	
	(-) Short provision Other Expenses			319	
	(+) Excess provision of Regulatory Expense			17,500	
4	**TRADE PAYABLES - CURRENT**	22	17,73,889		17,76,038
	(-) Excess provision of Purchase of Power			3,544	
	(+) Short provision of Purchase of Power			5,693	
5	**OTHER FINANCIAL LIABILITIES - CURRENT**	23	20,32,176		18,61,267
	(-) Excess provision of DPC payable to PP and transmission vendors			1,71,131	
	(-) Excess employee provision			23	
	(-) Excess provision of Repair and maintenance			135	
	(+) Short Admin provision			161	
	(-) Excess interest provision			98	
	(+) Short provision of other expenses			319	
6	**OTHER CURRENT LIABILITIES**	25	2,51,330		2,56,187
	(+) Solar Pump Grant Central Govt*			4,857	

* Refer Note no. 36(34)

Restatement in Statement of Profit and Loss for FY 2019-20

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Reported amount for FY 2019- 20	Reclassification /Restatment	After Reclassification /Restatment
1	**Other Income**	28	8,44,345		8,44,182
	(-) Excess revenue recognised			162	
2	**Purchase of Power**	29	68,85,039		67,49,920
	(-) Excess provision of RPO			1,35,119	
3	**Repairs and maintenance**	31	85,187		74,892
	(-) Excess provision			3,308	
	(-) Meters earlier debited to Repair and Maintenance			6,988	
4	**Finance Expenses**	33	4,87,116		4,50,642
	(-) Excess provision of DPC payable to PP and transmission vendors			36,475	
5	**Depreciation and Amortisation**	34	3,07,036		3,06,907
	(-) Short/ Excess Depreciation			128	
6	**Other Expenses**	35	6,72,282		6,72,878
	(+) Other			594	
7	**Regulatory Income / (Expense)**		8,44,661		7,01,075
	(-) Excess recognition of Regulatory Income			1,43,586	
8(a)	Earning Per Share (Including Regulatory Income)				
	Earning per share (Rupee)Basic		0.07		0.14
	Diluted Earning Per Share(Rupees)		0.07		0.14
8(a)	Earning Per Share (Excluding Regulatory Income)				
	Earning per share (Rupee)Basic		(1.71)		(0.28)
	Diluted Earning Per Shared (Rupees)		(1 .71)		(0.28)

Restatement in Cash Flow Statement for year ended 31st March, 2020 (₹ in Lakhs)					
Sr. No.	Particulars	Note No.	Reported amount for FY 2019- 20	Reclassification /Restatment	After Reclassification /Restatment
A	**Cash Flow From Operating Activities**				
	Net Profit/(Loss) before Tax and before regulatory deferral account balance		(800,758)	(181,318)	(619,439)
	Add: Net movement in regulatory deferral account balance		844,661	143,586	701,075
	Net Profit/(Loss) before Tax (including net movement in regulatory deferral account		43,903	(37,732)	81,636
i	**Adjustments for**				
	Depreciation and amortisation expenses		307,036	128	306,907
	Finance Costs		483,127	36,475	446,652
	Regulatory Deferral Account Balance		(844,661)	(143,586)	(701,075)
	Operating Profit before Changes in Working Capital (Sub Total - (i)}		(54,498)	(106,983)	52,485
ii	**Movements in Working Capital**				
	[Increase) / Decrease in Trade Receivables		(1,265,737)	(0)	(1,265,737)
	(Increase) /Decrease in Other financial assets-Current		198,276	(96)	198,371
	Increase / (Decrease) in Trade Payables		397,207	135,119	262,088
	Increase / (Decrease) in financial liabilities-Current		626,588	2,714	623,874
	Increase / (Decrease) in Provisions		225,532	57	225,475
	Increase / (Decrease) in Other Non Current liabilities		17,258	194,795	(177,537)
	Increase / (Decrease) in Other Current liabilities		90,219	(67)	90,285
	Sub Total - (ii)		289,344	332,523	(43,179)
	Total (i)+(ii)		234,846	225,540	9,305
	Net Cash from Operating Activities(A)		278,749	187,808	90,941
B	**Cash Flow From Investing Activities**				
	Purchase of Property, Plant & Equipment & Intangible Assets, CWIP		(585,752)	(229,400)	(356,352)
	Grant Utilised for Property, Plant & Equipment			236,388	(236,388)
	Net Cash generated from / (used in) Investing Activities (B)		(585,752)	6,988	(592,740)
	Cash Flow From Financing Activities				
C	**Grant received**		-	(194,795)	194,795
	Net Cash from Financing Activities (C)		-	(194,795)	194,795
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		(307,003)	(0)	(307,003)

34. Disclosure as per Ind AS 1 'Presentation of financial statements' :

Reclassifications and Comparative figures:

Certain reclassifications have been made to the comparative period's financial statements to:

- Enhance comparability with current year's financial statements
- Ensure compliance with the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013"

As a result, certain line items have been reclassified in the Balance Sheet the details of which are as under:

Reclassification of Balance sheet as at 31st March, 2020

(₹ in Lakhs)

Sr. No	Particulars	Note No.	Reported amount as at 31st March 2020	Reclassification	Restatement	After Reclassification and Restatement
1	OTHER FINANCIAL ASSETS - CURRENT	13	7,88,560			7,93,322
	(+) Solar Pump Grant Central Govt			4,924		
	(-) Other Receivables				162	
2	OTHER CURRENT LIABILITIES	25	3,41,549			3,46,472
	(+) Solar Pump Grant Central Govt			4,924		

Reclassification of Balance sheet as at 1st April, 2019

(₹ in Lakhs)

Sr. No	Particulars	Note No.	Reported amount as at 1st April 2019	Reclassification	After Reclassification
1	OTHER FINANCIAL ASSETS - CURRENT	13	9,86,097		9,90,954
	(+) Solar Pump Grant Central Govt			4,857	
2	OTHER CURRENT LIABILITIES	25	2,51,330		2,56,187
	(+) Solar Pump Grant Central Govt			4,857	

35. Recent Accounting Developments

On March 24, 2021, the Ministry of Corporate Affairs (''MCA'') through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

36. Corporate Social Responsibility (CSR)

While the company in the past 3 successive years has been able to generate a book profit, considering the unadjusted losses of earlier years which based on opinion obtained are available for set off against the said profits, there is no average net profit as computed as per section 198 of the Companies Act, 2013. Thus in pursuance to CSR policy provisions mandated in section 135(5) of the Companies Act, 2013, CSR is not applicable to the company for the year ended 31st March, 2021.

37. LMC/LMR Fund (Refer Note 18):

Considering the critical situations arising an account of demand supply gap and submissions made by authorized consumer representatives, the MERC decided to take emergent measures to curb electricity demand and vide order dated 26 April 2005 directed to levy Load Management Charges (LMC) and Load Management Rebate (LMR) to consumers.

As per the order a 'Load Management Charges' shall be levied on all electricity consumers in Maharashtra (including Mumbai) whose consumption exceeds 500 units per month in the billing months of May and June,2005. These charges will be levied at the rate of ₹ 1 per unit for the electricity consumed in excess of 80% of the consumption recorded in the corresponding billing months of 2004. Similarly, those whose consumption is less than 80% as compared to the corresponding period in 2004 will be given a 'Load Management Rebate' of 50 paise per unit. This Charge and Rebate will be applicable to all metered consumers. The net amount recovered from the Charge/Rebate will be kept separately by the Licensees to be used for energy conservation and other programmes, for which separate instructions will be issued.

Accordingly the Company levied LMC/LMR to the consumers in the bills for the month May and June-2005. The Company thus collected ₹ 2,430 Lakhs, which is net of LMC/LMR. This fund will be utilized for energy conservation or any other such program as per the instruction of MERC in due course.

38. COVID 19 :

Considering power supply being an essentials service, the group has continued to supply power during the period of lockdown/ restrictions imposed by the Government to combat COVID-19. The reduction in demand had an adverse impact on revenue of the group, mainly during the first half of the current year. The group also faced cash flow shortages owning to its inability to collect dues from customers during the lockdown period. Consequent upon unlocking mission in phased manner, the economy is gradually revived and the recovery mechanism is strengthened. The group is taking necessary steps to ensure adequate liquidity to discharge the liabilities in time.

The management has considered all possible impact of COVID 19 pandemic and estimated future cash flows for the group which indicates no major change in financial performance as estimated prior to COVID-19 impact and hence, the group believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due.

39. The Code on Social Security, 2020:

The Code on Social Security 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

40. Significant Events after the Reporting Period:

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

In May 2021 the cyclone "Tauktae" caused severe damage to the power distribution network and resulted in disruption in power supply in the state mainly in Konkan area. It caused damage of ₹5,847 lakhs.

Further, power distribution network was badly affected due to heavy rain in the month of July 2021 in the state mainly in Kolhapur & Sangli, causing damage of ₹ 10,270 lakhs.

41. The Consolidated Financial Statements were authorised for issue in accordance with a resolution passed by the Board of Directors on 24th Nov, 2021.

As per our Report of even date	**For and on behalf of the Board**	
For C N K & Associates LLP Chartered Accountants (FRN : 101961W/W100036)		
Sd/- **(CA Diwakar Sapre)** Partner (ICAI M.No. 040740)	**Sd/-** **Ravindra Sawant** Director (Finance) DIN No.08778424	**Sd/-** **Vijay Singhal (IAS)** Chairman and Managing Director DIN No.05169675
For Shah & Taparia Chartered Accountants (FRN : 109463W)		
Sd/- **(CA Bharat Joshi)** Partner (ICAI M.No.130863)	**Sd/-** **Swati Vyavahare** Executive Director (F &A)	**Sd/-** **Anjali Gudekar** Company Secretary M.No. ACS19937
For GMJ & Co Chartered Accountants (FRN : 103429W)		
Sd/- **(CA Atul Jain)** Partner (ICAI M.No.037097)	**Sd/-** **Neeta Vernekar** Chief General Manager (CA) (In Charge)	
Place : Mumbai Date : 24.11.2021	Place : Mumbai Date : 24.11.2021	

FORM AOC I

Part A Subsidiaries

Statement containing salient features of Financial Statemement of Subsidiary Company

Name of the subsidiary	**Aurangabad Power Co. Ltd**
Financial Year	**2020-21**
Reporting for the subsidiary concerned, if different from the holding co. reporting period	The reporting period of the subsidiary is similar as of holding company
Reporting currency and Exhange rate as on the last date of relevant financial year in the case of foreign	NA
Share Capital	5.00
Reserve and surplus	(624.68)
Total Assets	12.12
Total Liabilities	631.81
Investments	NIL
Turnover	0.70
Profit before taxation	(0.63)
Provision for taxation	0.00
Proposed Dividend	0.00
% of share holding	100%
Name of subsidiaries which are yet to commence operation	Aurangabad Power Co. Ltd

Sd/-
Ravindra Sawant
Director (Finance)
DIN No. 08778424

Sd/-
Vijay Singhal (IAS)
Chairman and Managing Director
DIN No. 05169675

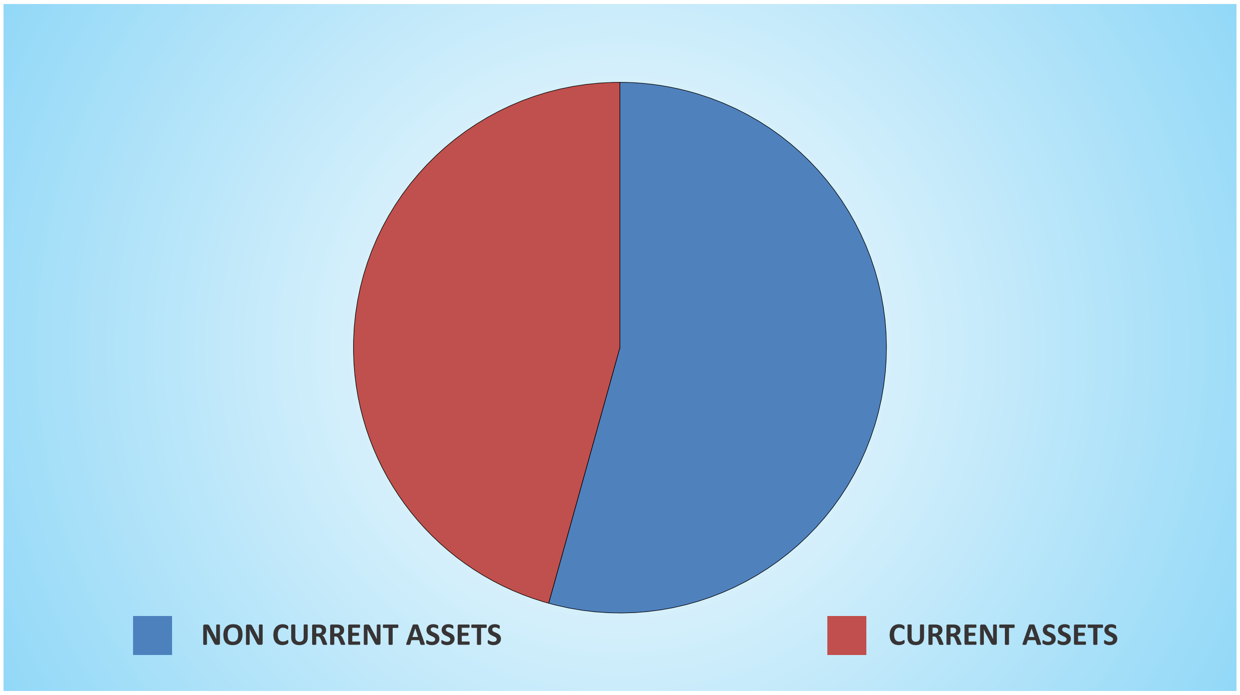
Sd/-
Swati Vyavahare
Executive Director (F & A)

Sd/-
Anjali Gudekar
Company Secretary
M.No. ACS19937

Sd/-
Neeta Vernekar
Chief General Manager (CA) (in charge)

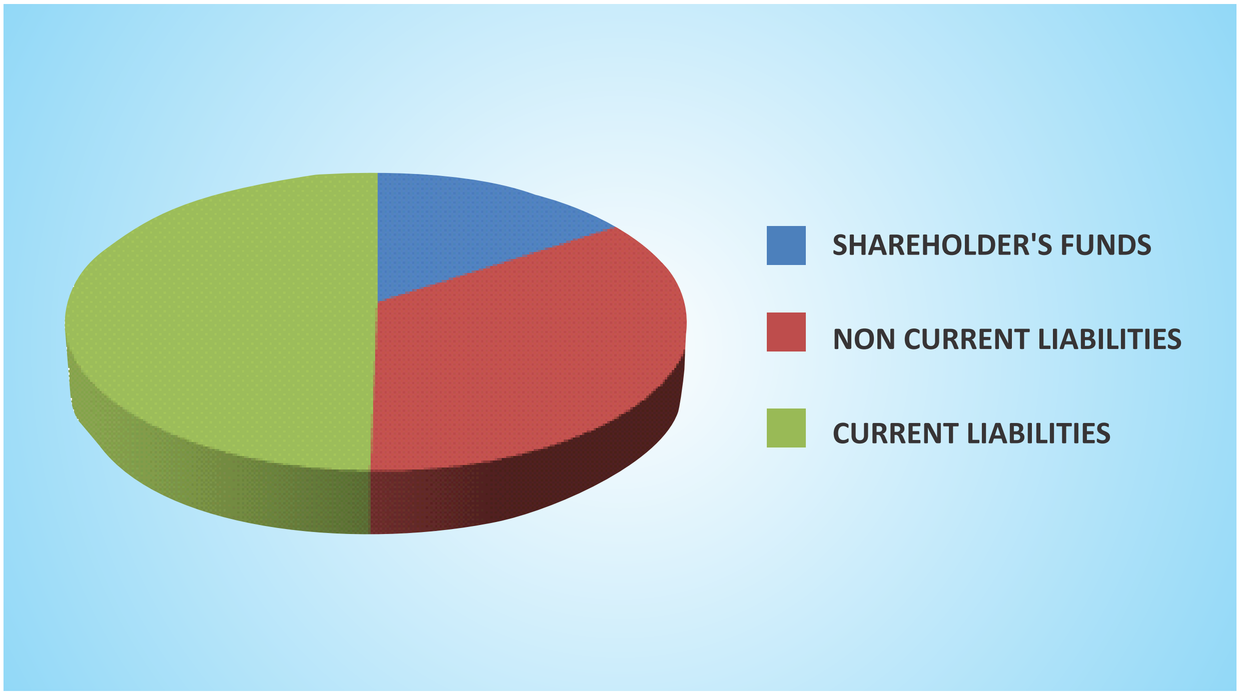
Place : Mumbai
Date : 24.11.2021

ASSETS



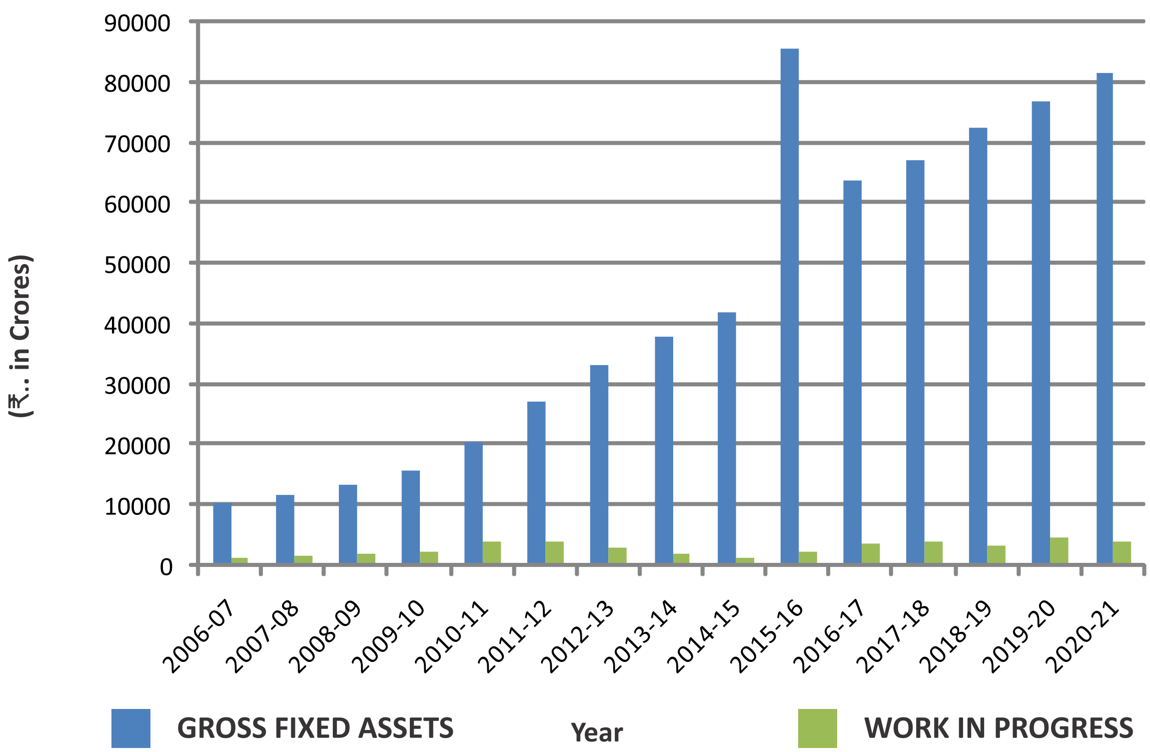
ASSETS AS ON 31.03.2021		
	ASSETS	₹. in Crores
	NON CURRENT ASSETS	69120.38
	CURRENT ASSETS	58108.88
	TOTAL ASSET	127229.26

EQUITY AND LIABILITIES



EQUITY & LIABILITIES AS ON 31.03.2021		
	EQUITY & LIABILITIES	₹. in Crores
	SHAREHOLDER'S FUNDS	22979.45
	NON CURRENT LIABILITIES	50661.10
	CURRENT LIABILITIES	72667.39
	TOTAL	146307.94

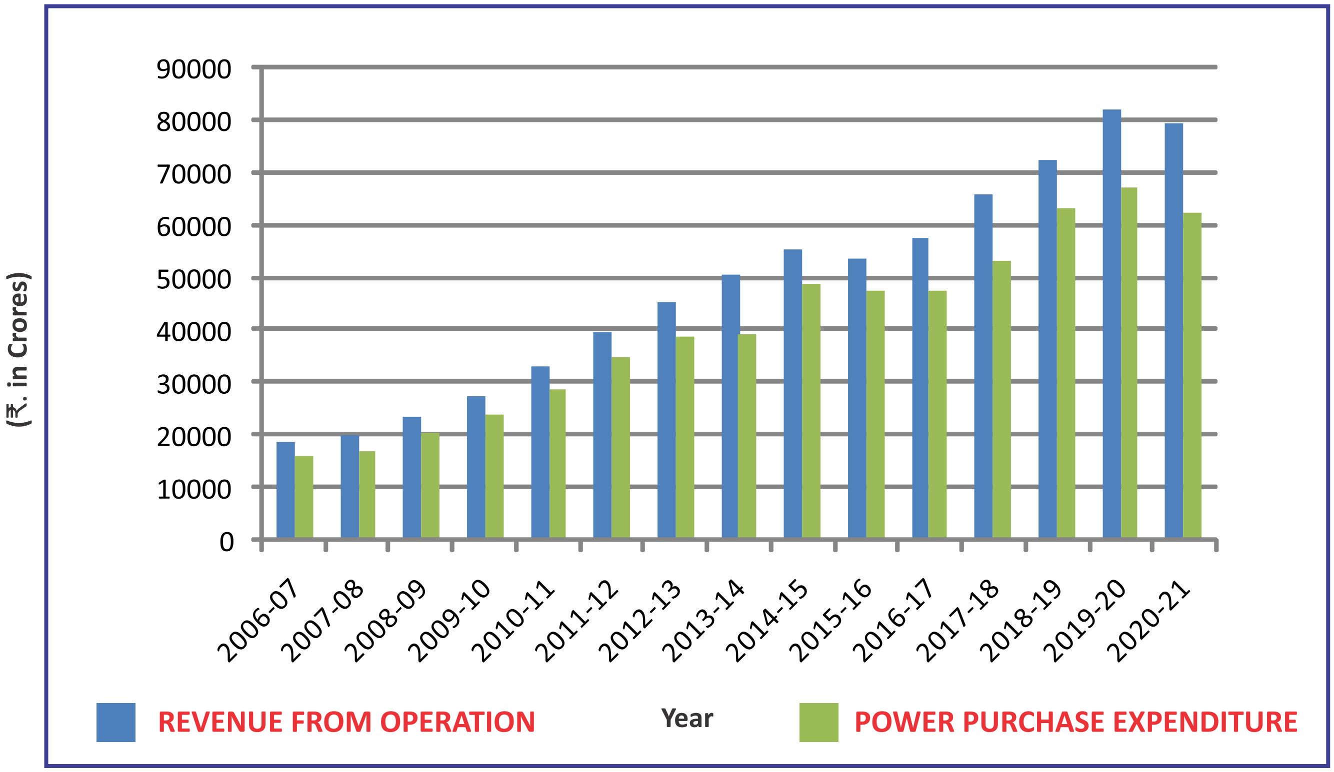
GROSS FIXED ASSETS & WORK IN PROGRESS



(₹. IN CRORES)

YEAR	GROSS FIXED ASSETS	WORK IN PROGRESS
2006-07	10531	1447
2007-08	11806	1685
2008-09	13439	1976
2009-10	15687	2344
2010-11	20500	4116
2011-12	27268	3913
2012-13	33268	2972
2013-14	37840	2048
2014-15	41874	1282
2015-16	85592	2512
2016-17	63775	3626
2017-18	67152	4152
2018-19	72471	3276
2019-20	76940	4734
2020-21	81452	3868

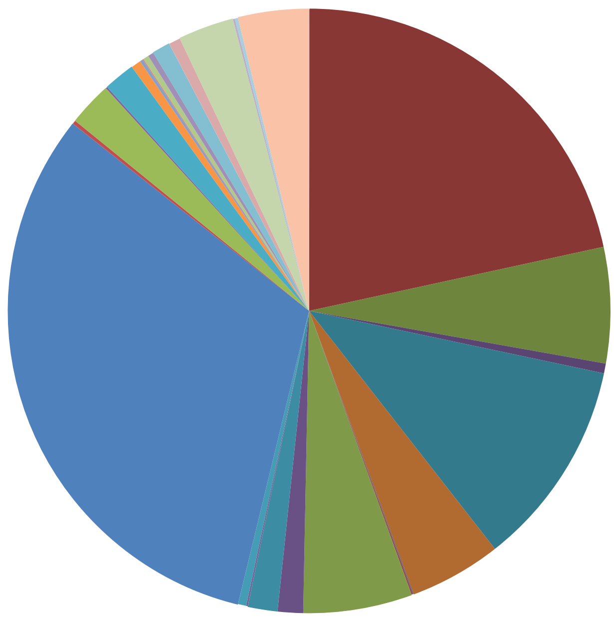
REVENUE FROM OPERATION AND POWER PURCHASE EXPENDITURE



(₹. IN CRORES)

YEAR	REVENUE FROM OPERATION	POWER PURCHASE EXPENDITURE
2006-07	18864	16277
2007-08	20159	17006
2008-09	23483	20606
2009-10	27642	23842
2010-11	33238	28949
2011-12	39555	35120
2012-13	45575	38859
2013-14	50622	39526
2014-15	55535	49088
2015-16	53707	47696
2016-17	57601	47619
2017-18	65861	53498
2018-19	72716	63426
2019-20	82203	67499
2020-21	79475	62651

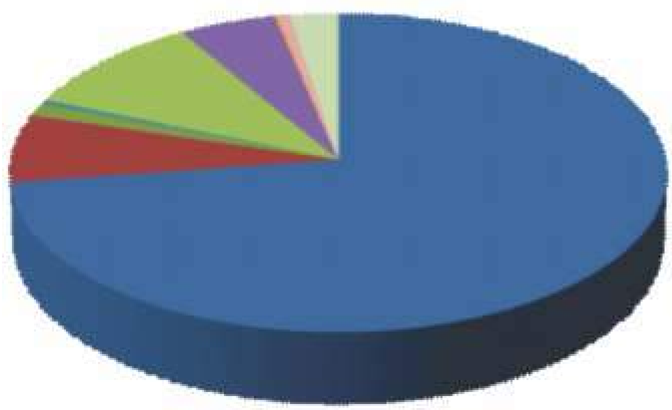
CONSUMER CATEGORY WISE SALE OF ENERGY



FINANCIAL YEAR 2020-21

SR. No.	CONSUMER CATEGORY	(₹. IN CRORES)	%
1	LT-I - Residential BPL	17.67	0.02
2	LT-I - Residential	16527.69	21.57
3	LT-II - Commercial	4754.43	6.20
4	LT-III - Public Water Works	401.09	0.52
5	LT-IV - Agriculture	8522.17	11.12
6	LT-IV - Agriculture Unmetered	3777.71	4.93
7	LT-IV - Agriculture Others	31.43	0.04
8	LT-IV - Agriculture Poultry	53.66	0.07
9	LT-V - Industrial	4468.82	5.83
10	LT-V - Powerloom	1041.66	1.36
11	LT Street Light	1220.15	1.59
12	LT-VII(A) - Temporary - Religious	0.08	0.00
13	LT-VII(B) -Temporary - Others	1.46	0.00
14	LT-VIII - Advertising and Hoarding	0.51	0.00
15	LT-IX- Crematoriums and Burial Grounds	0.02	0.00
16	LT-Public Services	59.17	0.08
17	LT-Public Services Others	341.75	0.45
18	LT-XI- Charging Station	0.24	0.00
19	HT-I- Industrial	24421.64	31.87
20	HT-Seasonal	148.44	0.19
21	HT-II-Commercial	1811.30	2.36
22	HT-III-Railway Traction	74.02	0.10
23	HT-IV- Public Water Works	1287.35	1.68
24	HT-V-Agricultural	404.86	0.53
25	HT-V-Agricultural Others	118.50	0.15
26	HT-V-Agricultural Poultry	42.18	0.06
27	HT-VI- Group Housing /Commercial Complex	234.31	0.31
28	HT-Public Services	234.92	0.31
29	HT-Public Services Others	743.70	0.97
30	HT-Electric Vehicle	2.81	0.00
31	HT-Auxilliary Consumer	-0.08	0.00
32	Open Access Category	475.81	0.62
33	Sale of energy to Distribution Franchis	2288.46	2.99
34	Recoveries from Theft of Power/Malpractice	85.84	0.11
35	Sale to Traders	126.21	0.16
36	Regulatory Surplus	2,909.19	3.80
	TOTAL	**76,629.15**	**100.00**

NUMBER OF CONSUMERS



FINANCIAL YEAR 2020-21

Sr. No.	CONSUMER CATEGORY	NO. OF CONSUMERS
1	Domestic or ResidentiaL	2,07,03,915
2	Commercial	19,65,858
3	Industrial Low & Medium Voltage	3,79,267
4	Industrial High Voltage	14,681
5	Public Lighting (Street Light)	99,955
6	Traction	-
7	HT Railway/Metro/Mono	92
8	Irrigation And Agricultural HT (Metered)	1,013
9	Irrigation And Agricultural LT (Metered)	28,69,481
10	Irrigation And Agricultural LT (Un Metered)	14,74,182
11	Public Water Works HT Metered	1,005
12	Public Water Works LT Metered	55,725
13	Interstate	5
14	Others	1,77,329
15	Distribution Franchisee	7,25,386
	TOTAL	**2,84,67,894**