MAHA VITARAN
Maharashtra State Electricity Distribution Co. Ltd.

(A Govt. Of Maharashtra Undertaking)

CIN : U40109MH2005SGC153645

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO. LTD.

ANNUAL ACCOUNTS

FINANCIAL YEAR 2018-19

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

PARTICULARS	NOTE NO	AS AT 31-Mar-19 CONSOLIDATED	AS AT 31-Mar-18 CONSOLIDATED
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	6,104,006.74	5,865,500.32
(b) Capital work-in-progress		328,783.02	415,203.46
(c) Intangible assets	3A	441.31	665.32
(d) Financial assets			
(i) Investments	4	18,572.57	18,782.49
(ii) Loans	5	-	-
(iii) Other financial assets	6	73,869.49	67,693.75
(e) Non Current Tax Assets (Net)	7	5,114.82	4,943.93
(f) Other non-current assets	8	42,972.07	39,513.80
TOTAL NON-CURRENT ASSETS		6,573,760.02	6,412,303.07
2 CURRENT ASSETS			
(a) Inventories	9	37,096.72	49,374.36
(b) Financial assets			
(i) Investments	10	-	430.00
(ii) Trade receivables	11	3,006,095.52	2,842,911.00
(iii) Cash and Cash Balance	12	122,619.44	114,854.14
(iv) Loan	13	34,798.96	38,438.81
(v) Other financial assets	14	986,877.74	732,145.90
(c) Other current assets	15	19,516.65	23,941.95
TOTAL CURRENT ASSETS		4,207,005.02	3,802,096.16
TOTAL ASSETS BEFORE REGULATORY ASSETS		10,780,765.04	10,214,399.23
Regulatory Assets	37(8)	898,373.63	947,873.63
TOTAL ASSETS AFTER REGULATORY ASSETS		11,679,138.67	11,162,272.86
I EQUITY & LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	16	4,761,431.99	4,724,525.49
(b) Other Equity	17	(2,580,724.53)	(2,665,298.80)
TOTAL EQUITY		2,180,707.46	2,059,226.69
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	2,317,618.56	1,570,188.98
(ii) Other financial liabilities	19	924,097.67	720,517.56
(b) Provisions	20	367,668.24	364,463.95
(c) Other non-current liabilities	21	934,628.35	B45,773.45
TOTAL NON-CURRENT LIABILITIES		4,544,012.82	3,500,943.94
3 CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	22	457,853.51	448,352.18
(ii) Trade payables			
Micro, Small and Medium Enterprises	37(15)		
Others	23	1,773,888.92	2,303,324.18
(iii) Other financial liabilities	24	1,911,043.03	2,362,630.39
(b) Provisions	25	535,366.69	283,528.63
(c) Other Current Liabilities	26	251,330.12	204,266.85
(d) Current Tax Liabilities (Net)	27	24,936.12	-
TOTAL CURRENT LIABILITIES BEFORE REGULATORY LIABILITIES		4,954,418.39	5,602,102.23
TOTAL LIABILITIES AFTER REGULATORY LIABILITIES		9,498,431.21	9,103,046.17
TOTAL EQUITY AND LIABILITIES		11,679,138.67	11,162,272.86

See accompanying notes to the Financial Statement 1-37

As per our Report of even date **For and on behalf of the Board**

For SGCO & Co.LLP
Chartered Accountants
(FRN : 112081W/W100184)

(CA Amit Hundia) **Partner (ICAI M.No120761)**	**Jaikumar Srinivasan** **Director (Finance)** **DIN No. 01220828**	**Sanjeev Kumar** **Chairman and Managing Director** **DIN No. 01866640**

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

(CA Diwakar Sapre) **Partner (ICAI M.No. 040740)**	**Swati Vyavahare** **Executive Director (F &A)**	**Anjali Gudekar** **Company Secretary** **M.No. ACS19937**

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

(CA Ramesh Pipalawa) **Partner (ICAI M.No.103840)**	**Neeta Vernekar** **Chief General Manager (CA) (In Charge)**
Place : Mumbai **Date : 25.10.2019**	**Place : Mumbai** **Date : 25.10.2019**

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ In Lakhs)

PARTICULARS	NOTE NO	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
		CONSOLIDATED	CONSOLIDATED
Revenue			
Revenue from Operations	28	7,321,076.31	6,130,666.13
Other Income	29	1,238,484.67	398,502.42
Total Revenue		8,559,560.98	6,529,168.55
Expenses:			
Purchase of Power	30	6,342,583.91	5,349,819.90
Employee Benefits Expenses	31	462,672.73	410,725.26
Repairs and maintainance	32	76,448.52	81,607.14
Admin and General Exp	33	77,089.09	65,343.12
Finance Expenses	34	483,297.70	595,205.04
Depreciation and Amortisation	35	294,506.83	293,910.21
Other Expenses	36	642,291.44	139,351.81
Total Expenses		8,378,890.22	6,935,962.48
Profit/(loss) Before Regulatory Surplus & Tax		180,670.76	(406,793.93)
Add / (Less): Regulatory Income / (Expense)	37 (8)	(49,500.00)	455,502.64
Profit/(loss) Before Tax		131,170.76	48,708.71
Tax expense:			
Earlier Year	37(13)	21,507.55	-
Deferred Tax	37(13)	-	-
Total Tax Expenses		21,507.55	
Profit/(loss) for the year		109,663.21	48,708.71
Attributable to :			
Equityholders of the Company		109,663.21	48,708.71
Non-controlling interest		-	-
		109,663.21	48,708.71
Other Comprehensive Income			
i) Items that will not be reclassified to Profit and loss			
Remeasurement of defined benefit plans	37(11)	(25,088.94)	(5,019.96)
Tax relating to Items that will not be reclassified to Profit and loss			
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)			
Total Comprehensive Income for the year		84,574.27	43,688.75
Attributable to :			
Equityholders of the Company		84,574.27	43,688.75
Non-controlling interest		-	-
		84574.27	43,688.75
A) Basic and Diluted Earnings Per Equity Share(including regulatory income) (in ₹)	37(18)	0.23	0.10
B) Basic and Diluted Earnings Per Equity Share(excluding regulatory income) (in ₹)	37(18)	0.34	(0.87)
See accompanying notes to the Financial Statement	1-37		

As per our Report of even date | **For and on behalf of the Board**

For SGCO & Co.LLP
Chartered Accountants
(FRN : 112081W/W100184)

(CA Amit Hundia) **Partner (ICAI M.No120761)**	**Jaikumar Srinivasan** **Director (Finance)** **DIN No. 01220828**	**Sanjeev Kumar** **Chairman and Managing Director** **DIN No. 01866640**

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(CA Diwakar Sapre) **Partner (ICAI M.No. 040740)**	**Swati Vyavahare** **Executive Director (F &A)**	**Anjali Gudekar** **Company Secretary** **M.No. ACS19937**

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Chartered Accountants
(FRN : 109463W)

(CA Ramesh Pipalawa) **Partner (ICAI M.No.103840)**	**Neeta Vernekar** **Chief General Manager (CA) (In Charge)**
Place : Mumbai **Date : 25.10.2019**	**Place : Mumbai** **Date : 25.10.2019**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF FOR THE YEAR ENDED MARCH 31, 2019

I. EQUITY SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	NO OF SHARES	Amount
As at 01.04.2017	**46496634904**	**4649663.49**
Changes in Equity share capital	748620000	74862.00
As at 31.03.2018	**47245254904**	**4724525.49**
Changes in Equity share capital	369065000	36906.50
As at 31.03.2019	**47614319904**	**4761431.99**

II. OTHER EQUITY

(₹ in Lakhs)

PARTICULARS	SHARE APPLICATION MONEY PENDING ALLOTMENT	RESERVES & SURPLUS		ITEMS OF OTHER COMPREHENSIVE INCOME (OCI)	TOTAL OTHER EQUITY
		STATUTORY RESERVE [REFER NOTE NO.36(34)]	RETAINED EARNINGS	REMESUREMENT OF DEFINED BENEFIT PLAN	
As at 01.04.2017	**24,000.00**	**57,700.00**	**(2,737,921)**	**(28,766.64)**	(2,684,987.55)
Profit or loss for the year			48,708.71		48,708.71
Other comprehensive income for the year				(5,019.96)	(5,019.96)
Addition during the year	50,862.00				50,862.00
Shares alotted during the year	(74,862.00)				(74,862.00)
As at 31.03.2018	**0.00**	**57,700.00**	**(2,689,212.20)**	**(33,786.60)**	(2,665,298.80)
Profit or loss for the year			109663.21		109,663.21
Other comprehensive income for the year				(25088.94)	(25,088.94)
Addition during the year	36906.50				36,906.50
Shares alotted during the year	(36906.50)				(36,906.50)
As at 31.03.2019	**0.00**	57700.00	(2579548.99)	(58875.54)	(2580724.53)

As per our Report of even date

For SGCO & Co.LLP
Chartered Accountants
(FRN : 112081W/W100184)

(CA Amit Hundia)
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(CA Diwakar Sapre)
Partner (ICAI M.No. 040740)

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

(CA Ramesh Pipalawa)
Partner (ICAI M.No.103840)

Place : Mumbai
Date : 25.10.2019

For and on behalf of the Board

Jaikumar Srinivasan
Director (Finance)
DIN No. 01220828

Sanjeev Kumar
Chairman and Managing Director
DIN No. 01866640

Swati Vyavahare
Executive Director (F &A)

Anjali Gudekar
Company Secretary
M.No. ACS19937

Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 25.10.2019

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	F.Y 2018 - 19	F.Y 2017 - 18
A. Cash Flow From Operating Activities	**CONSOLIDATED**	**CONSOLIDATED**
Net Profit/(Loss) before Tax and before regulatory deferral account balance	180,670.76	(406,793.93)
Add: Net movement in regulatory deferral account balance	(49,500.00)	455,502.64
Net Profit/(Loss) before Tax (including net movement in regulatory deferral account balance)	131,170.76	48,708.71
Adjustments for:		
Depreciation and amortisation expenses	294,506.83	293,284.35
Provision for dimunition in value of CWIP	-	625.86
Finance Costs	479,650.83	595,205.04
Expected Credit Loss (Trade Receivable)	215,264.93	115,739.36
Expected Credit Loss (Loans & Advances)	3,790.66	899.55
Provision for Employee advances	1,980.51	-
Amorization of premium on investment	9.92	9.47
Interest Income	(1,761.45)	(1,564.91)
Regulatory Deferral Account Balance	49,500.00	(455,502.64)
Provision for Interest on Income Tax	3,646.87	-
Operating Profit before Changes in Working Capital (Sub Total - (i))	1,177,759.86	597,404.79
Movements in Working Capital		
(Increase) / Decrease in Other non-current assets	(3,458.27)	(8,590.96)
(Increase) /Decrease in Inventories	12,277.64	19,787.77
(Increase) / Decrease in Trade Receivables	(378,449.45)	(312,838.38)
(Increase) /Decrease in Other non-current financial assets	(6,175.74)	15,308.70
(Increase) /Decrease in Other current financial assets	(254,731.52)	111,729.67
(Increase) /Decrease in Other current assets	4,425.30	(3,510.82)
Increase / (Decrease) in Trade Payables	(529,435.26)	129,297.46
Increase / (Decrease) in Other current financial liabilities	(453,567.87)	458,952.36
Increase / (Decrease) in Other Non current financial liabilities	203,580.11	53,491.87
Increase / (Decrease) in Long Term Provisions	229,953.41	23,461.20
Increase / (Decrease) in Other non-current liabilities	88,854.90	(15,864.53)
Increase / (Decrease) in Other current liabilities	47,063.27	(244,982.74)
Sub Total - (ii)	(1,039,663.47)	226,241.60
Total (i)+(ii)	138,096.39	823,646.39
Less : Direct Taxes paid	389.51	218.53
Net Cash from Operating Activities (A)	137,706.88	823,427.86
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment & Intangible Assets, CWIP	(448,090.10)	(390,520.28)
Sale of Property, Plant & Equipment	1,721.30	32.43
Sale of Investment	630.00	-
Oher bank Balances (Ear marked deposits)	(42,663.69)	7,537.67
Loan Given	(297.65)	(559.08)
Receipt of Loans Given	146.84	22,566.91
Interest received	1,761.45	1,564.91
Net Cash generated from / (used In) Investing Activities (B)	(486,791.85)	(359,377.44)
C. Cash Flow From Financing Activities		
Proceeds from issue of shares	36,906.50	50,862.00
Proceeds from Non Current Borrowings	2,539,227.37	713,278.28
Repayment of Non Current Borrowings	(1,854,039.13)	(425,138.05)
Proceeds from Current Borrowings	3,176,500.00	1,335,500.00
Repayment of Current Borrowings	(3,166,998.67)	(1,326,667.00)
Finance Cost paid	(479,650.83)	(595,205.04)
Repayment of Current Maturities of long term debts	62,241.34	(233,787.13)
Net Cash from Financing Activities (C)	314,186.58	(481,156.94)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(34,898.39)	(17,106.52)
Cash and cash equivalents at the beginning of the year	79,096.93	96,203.45
Cash and cash equivalents at the end of the year	44,198.54	79,096.93
Details of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on		
Balances with Banks:		
- on current accounts	43,607.07	77,706.38
Cheques, drafts on hand	45.13	1,134.81
Cash on hand	20.28	37.64
Cash with collection Centres	526.06	218.10
Cash and cash equivalents at the end of the year	44,198.54	79,096.93

Changes in liabilities arising from Financing Activites

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Borrowings non current	Borrowings current	Borrowings non current	Borrowings current
Opening Balance as at 1st April	1,570,188.98	448,352.18	1,497,437.67	457,917.37
Cash Flows during the year	685,188.24	9,501.33	288140.23	8,833.00
Non Cash changes due to:				
Current/ Non Current Clasification	62,241.34		(215388.92)	(18398.19)
Closing Balance as at 31st March	2,317,618.56	457,853.51	1,570,188.98	448,352.18

For SGCO & Co.LLP
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Neeta Vernekar
Chief General Manager (CA) (In Charge)

Place : Mumbai
Date : 25.10.2019

Place : Mumbai
Date : 25.10.2019

NOTE NO 1

CORPORATE INFORMATION

The Consolidated Financial Statements comprise of financial statement of Maharashtra State Electricity Distribution Company Limited (Holding Company) and its subsidiary (collectively referred to as "the Group") for the year ended 31.03.2019.

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 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 266 lakhs (P.Y. 255 Lakhs) consumers.

MSEDCL'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:

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 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 date of transition to Ind AS is 1st April, 2015. The Group's presentation currency and functional currency is Indian Rupees (Rs.). All figures appearing in the Financial Statements are rounded to the nearest lakhs (Rs. Lakhs), except where otherwise indicated.

2. Principles of Consolidation:

The Financial statement of holding company and its subsidiary 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 subsidiary and the parent's portion of equity of subsidiary are eliminated. Accounting policies of subsidiary 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 Statement of Profit & Loss, Consolidated Statement of Changes In Equity and Consolidated Balance Sheet respectively.

3. Classification of Assets and liabilities:

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.

For the above purposes, the Group has determined the operating cycle as twelve months based on the nature of products and the time between the acquisition of inputs for manufacturing and their realisation in cash and cash equivalents.

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. Use of estimates and judgements:

The preparation of the Group's Consolidated 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 Consolidated 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 per appropriate to fair value on initial recognition. Transaction cost related to acquisition of financial assets and financial liabilities that are fair value through profit and loss are recognised to 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 market place.

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.

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.

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.

iii. Impairment of Financial Asset:

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

Trade receivables were categorised into five groups for computing ECL viz. 1) Government authorities/bodies, 2) Permanent Disconnected consumers, 3) Agricultural consumers and 4) Regular (Good, whose total outstanding for more than 2 years are less than 20% of Total outstanding of such class) and 5) Regular (Other) Consumers. Time loss for all categories was considered as same, whereas Credit loss was provided on the basis of credit spread for Corporate Bonds (published by FIMMDA) which are rated among various categories based on their credit worthiness. The management has estimated an appropriate credit rating for each of the above five groups.

Security deposit available with the Group for each of the above groups of customers is reduced from the gross outstanding of trade receivables. This reduction is done on the basis of the ageing of the gross outstanding. ECL is provided on the Net Trade Receivable (gross less allocated security deposit) to the extent of unsecured portion. In case of Permanent Disconnected Consumers, the provision matrix (in the range of 20% to 100%) is applied on the basis of ageing of receivables.

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

iv. 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:

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 estimation 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 delay payment surcharge (DPS) and interest on arrears in case of consumers defaulting payment of bills for consecutive three months had been recognised on receipt basis w.e.f. billing for month October 2015. The charged DPS and interest in case of such consumers had been treated as a deferred income (liability). The said policy is changed. Revenue on account of delay 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. The said policy is changed w.e.f 01.04.2015.

b) Other Operating Income and Other Income:

i. **Regulatory Income/Expenses:**

The tariff of the Holding 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", i.e. on the basis of actual revenue expenditure incurred and the revenue income accounted in the Books of 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. Government Grant:

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.

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.

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 Group provides depreciation on straight line method to the extent of 90% of the cost of asset.

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
Vehicles	9.50
Furniture & Fixtures	6.33
Office Equipment	6.33
IT Equipment	15.00

d) In case of Assets whose depreciation has not been charged up to 70% after its commissioning, the Holding Company charges depreciation at the rates prescribed above till the end of such year in which the accumulated depreciation reaches up to 70%. After attainment of 70% accumulated depreciation, the Holding Company charges depreciation on the basis of remaining useful life up to 90% of the cost of asset in terms of the requirement of the above Regulations.

e) Depreciation on addition/deletions of assets during the year is provided on pro-rata basis.

f) The assets costing Rs.5000/- or less individually are depreciated at 100% in the year they are put to use.

11. 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, 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 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 and 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 Group'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:

Operating lease payments / Income are recognised in the statement of profit and loss on a Straight Line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increase, such increase are recognised in the year in which such benefits accrue. The Group does not have any finance lease arrangements.

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.

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.

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 Balances:

Cash and Bank Balances 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 Balances 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.

The prior period errors below threshold of 0.5% of the turnover of Group are accounted for in the current year under the Materiality concept.

For and on behalf of the Board

Jaikumar Srinivasan
Director
DIN No. 01220828

Sanjeev Kumar
Chairman and Managing Director
DIN No. 01866640

Swati Vyavahare
Executive Director(F&A)

Anjali Gudekar
Company Secretary
M.No. ACS19937

Neeta Vernekar
Chief General Manager (CA)(in charge)

Place: Mumbai
Date: 25.10.2019

Place: Mumbai
Date:25.10.2019

NOTE: 3 PROPERTY PLANT AND EQUIPMENTS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2018	ADDITION	Others	BALANCE AS AT 31.03.2019	BALANCE AS AT APRIL 1, 2018	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 31.03.2019	BALANCE AS AT 31.03.2019
Land									
a) Free hold land	1,075,465.49	538.82	132.69	1,075,871.62	-	-	-	-	1,075,871.62
b) Lease hold land	2,563.72	23.78	-	2,587.50	169.16	53.44	-	222.60	2,364.90
Building	246,285.15	2,023.80	12.74	248,296.21	21,710.26	6,151.54	11.47	27,850.33	220,445.88
Hydralic works	326.25	142.26	-	468.51	69.43	36.01	-	105.44	363.07
Other Civil works	17,988.20	2,016.34		20,004.54	2,421.61	825.35	-	3,246.96	16,757.58
Plant and Machinery	1,423,277.49	219,143.71	1,575.87	1,640,845.33	226,769.74	99,575.57	336.37	326,008.94	1,314,836.39
Lines and Cables	3,914,673.91	304,923.13	-	4,219,597.04	589,983.23	184,231.90	-	774,215.13	3,445,381.91
Communication Equipment	3,885.33	40.73	-	3,926.06	823.40	272.98	-	1,096.38	2,829.68
Vehicles	830.69	-	-	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	2,991.79	-	15,409.02	2,328.89	805.13	-	3,134.02	12,275.00
Other Assets	5,617.60	1,252.42	-	6,870.02	1,836.64	266.01	-	2,102.65	4,767.37
Sub-total	**6715425.40**	**533445.13**	**1721.30**	**7247149.23**	**849925.08**	**293565.25**	**347.84**	**1143142.49**	**6104006.74**
Capital work-in-progress *									328,255.02
Provision for impairment of CWIP									625.86
Intangible Assets under developments									1,153.86
Total									**6,432,789.76**

***CWIP as at 31st March 2019 includes asset under construction at various plants including Lines & Cables amounting to Rs. 278,564.41 Lakhs, Employee cost capitalised Rs. 41,998.11 Lakhs , Admin Cost Capitalised Rs. 6,311.01 Lakhs and Interest Cost Capitalised Rs.755.63 Lakhs**

NOTE: 3A INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2018	ADDITION	Others	BALANCE AS AT 31.03.2019	BALANCE AS AT APRIL 1, 2018	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 31.03.2019	BALANCE AS AT 31.03.2019
Computer Software	6,740.53	887.65		7,628.18	6,075.21	1,277.95	166.29	7,186.87	441.31
Total	**6,740.53**	**887.65**	-	**7,628.18**	**6,075.21**	**1,277.95**	**166.29**	**7,186.87**	**441.31**

NOTE: 3 PROPERTY PLANT AND EQUIPMENTS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2017	ADDITION	Others	BALANCE AS AT 31.03.2018	BALANCE AS AT APRIL 1, 2017	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 31.03.2018	BALANCE AS AT 31.03.2018
Land									
a) Free hold land	1,074,441.18	1,043.17	18.86	1,075,465.49	-			-	1,075,465.49
b) Lease hold land	2,530.61	33.11		2,563.72	105.99	63.18		169.17	2,394.55
Building	244,981.09	1,304.06		246,285.15	14,769.67	6,940.58		21,710.25	224,574.90
Hydralic works	279.49	46.76		326.25	42.80	26.63		69.43	256.82
Other Civil works	17,911.37	76.83		17,988.20	1,612.22	809.39		2,421.61	15,566.59
Plant and Machinery	1,299,761.46	123,516.03		1,423,277.49	144,489.97	82,279.77		226,769.74	1,196,507.75
Lines and Cables	3,704,401.82	210,272.09		3,914,673.91	391,588.46	198,394.77		589,983.23	3,324,690.68
Communication Equipment	3,778.77	106.56		3,885.33	492.16	331.24		823.40	3,061.93
Vehicles	799.77	30.92		830.69	116.19	65.23		181.42	649.27
Furniture and Fixture	6,950.10	110.76		7,060.86	564.42	302.29		866.71	6,194.15
IT Equipment	4,536.91	496.57		5,033.48	1,224.17	1,540.43		2,764.60	2,268.88
Office Equipments	12,302.94	114.29		12,417.23	1,523.43	805.46		2,328.89	10,088.34
Other Assets	4,840.00	777.60	-	5,617.60	1,606.23	230.40		1,836.63	3,780.97
Sub-total	**6,377,515.51**	**337,928.75**	**18.86**	**6,715,425.40**	**558,135.71**	**291,789.37**	**-**	**849,925.08**	**5,865,500.32**
Capital work-in-progress *									415,829.32
Provision for impairment of CWIP									625.86
Total									**6,280,703.78**

***CWIP as at 31st March 2018 includes asset under construction at various plants including Lines & Cables amounting to Rs.383,185.21 Lakhs, Employee cost capitalised Rs.26,695.43 Lakhs , Admin Cost Capitalised Rs. 3,992.59 Lakhs and Interest Cost Capitalised Rs.1,330.23 Lakhs**

NOTE: 3A INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	COST				ACCUMULATED DEPRECIATION AND IMPAIRMENT				CARRYING AMOUNT
	BALANCE AS AT APRIL 1, 2017	ADDITION	Others	BALANCE AS AT 31.03.2018	BALANCE AS AT APRIL 1, 2017	DEPRECIATION EXPENSE	DEDUCTIONS/ ADJUSTMENTS	BALANCE AS AT 31.03.2018	BALANCE AS AT 31.03.2018
Computer Software	6,754.10		13.57	6,740.53	4,580.23	1,494.98		6,075.21	665.32
Total	**6,754.10**	**-**	**13.57**	**6,740.53**	**4,580.23**	**1,494.98**	**-**	**6,075.21**	**665.32**

NOTE - 4

NON-CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
(I) Investment in Equity Instruments		
Unquoted - Fully paid up		
The Raigad Distirict Central Co-op Bank Limited at Fair Value through Profit & Loss (FVTPL)		
[nil (1000) Equity Shares of Face Value of ₹500/- each and nil (390001) Equity Shares of Face Value of ₹50/- each]		200.00
(II) Investments In Bonds at Amortised Cost		
Quoted		
Central Govt.Bonds (Earmarked against Contingency Reserve)		
8.15% Govt-FCI Bond 2022	1,048.60	1,048.27
[1050000(1050000) bonds of Face Value of ₹100/- each]		
8.01% Govt-Oil Bond-2023	1,935.77	1,933.38
[1950000 (1950000) bonds of Face Value of ₹100/- each]		
8.03% Govt-Food Bond-2024	992.26	991.23
[1000000 (1000000) bonds of Face Value of ₹100/- each]		
8.23% Govt-Food Bond-2027	996.98	996.71
[1000000(1000000) bonds of Face Value of ₹100/- each]		
8% Oil Bond 2026	5,147.49	5,163.11
[5000000(5000000) bonds of Face Value of ₹100/- each]		
8.28% Govt of India 2032	2,683.95	2,683.27
[2700000 (2700000) bonds of Face Value of ₹100/- each]		
8.30% Govt Of India 2040	2,873.62	2,873.18
[2900000 (29000000)bonds of Face Value of ₹100/- each]		
9.45% Power Finance Corporation 2026	2,893.90	2,893.34
[290(290) bonds of Face Value of ₹1000000/- each]		
(ii) Nuclear Power Corporation of India Limited (NPCIL)		
4.75% NPCIL-2019 [(43) bonds of Face Value of ₹1000000/- each]		
Total:::::	**18,572.57**	**18,782.49**
Aggregate Cost of Unquoted Investments	**-**	**200.00**
Aggregate Cost of Quoted Investments	**18,572.57**	**18,582.49**
Aggregate Market Value of Quoted Investments*	**19,086.51**	**18,982.06**
Aggregate Impairment Provision	**5.00**	**5.00**
*(Market Value of 9.45% PFC 2026 Bonds not available and therefore the cost has been considered.)		

NOTE - 5		
LOANS - NON CURRENT		
		(₹ in Lakhs)
PARTICULARS	**AS AT 31-Mar-19**	**AS AT 31-Mar-18**
	CONSOLIDATED	**CONSOLIDATED**
(a) Loans to related parties		
Due from companies under the same management / subsidiaries:	453.49	453.49
Less: Allowances for Doubtful Advances	453.49	453.49
	-	-
(b) Loans to others		
(i) Loans & Advances to Licensees	31.34	31.34
Less: Allowances for Doubtful Advances	31.34	31.34
	-	-
Total (a+b) :::::	-	-
(a) Due from companies under the same management / subsidiaries:		
(i) Dhopave Coastal Power Limited	206.75	206.75
(ii) Aurangabad Power Company Limited	143.94	143.00
(iii)Maharashtra Power Development Corporation Limited	246.73	246.73
Total :::::	**597.42**	**596.48**

NOTE - 6		
OTHER FINANCIAL ASSETS		
		(₹ in Lakhs)
PARTICULARS	**AS AT 31-Mar-19**	**AS AT 31-Mar-18**
	CONSOLIDATED	**CONSOLIDATED**
Security Deposits with		
UnSecured: Considered good:		
(i) Maharashtra Electricity Regulatory Commission [refer Note no.37(1)(I) (V)]	45,709.00	42,839.00
(ii) Court /other Authorities	19,716.05	16,641.21
(iii) Others	2,037.35	2,140.77
Receivable from Government of Maharashtra [refer Note no.37 (23) (i)]	6,407.09	6,072.77
Total :::::	**73,869.49**	**67,693.75**

NOTE - 7

NON CURRENT TAX ASSET (NET)

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Advance Income Tax	13,000.48	12,829.67
Less : Provision for taxes	7,885.66	7,885.74
Total ::::	**5,114.82**	**4,943.93**

NOTE - 8

OTHER NON CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
(a) Deposit with Ratnagiri Gas Power Private Limited [refer Note no. 37(1)(I)(iii)(g)]	18,101.07	18,101.07
(b) Advances (Unsecured, Considered good)		
(i) Capital Advances	24,113.92	12,205.91
(ii) Others	757.08	9,206.82
Total	**42,972.07**	**39,513.80**

NOTE - 9
INVENTORIES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Inventories (lower of cost and net realisable value)		
Stores and spares	39,686.94	50,831.78
Less :Provision for non - moving & obsolete items	2,590.22	1,457.42
Total :::::	**37,096.72**	**49,374.36**

NOTE - 10
CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Investments In Bonds at Amortised Cost-Quoted		
Nuclear Power Corporation of India Limited (NPCIL) Bonds		
4.75% Nuclear Power Corporation of India Limited (NPCIL)-2019	-	430.00
[NIL(43) bonds of Face Value of ₹1000000/- each]		
Total:::::	-	**430.00**
Aggregate Cost of Quoted Investments	-	430.00
Aggregate Market Value of Quoted Investments*	-	
*(Market Value of 4.75% Nuclear Power Corporation of India Limited (NPCIL)-2019 Bonds not available and therefore the cost has been considered.)		

NOTE -11
TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
(a) Secured & Considered good [refer Note No.37(7)(II)(i)(a)] :	**369,289.40**	**697,518.59**
(b) Considered Good- Unsecured		
Receivable from Government of Maharashtra towards subsidy /Grant etc [refer Note no. 37(9) for subsidy receivable]	78,604.37	210,254.00
(c) Unsecured & Considered doubtful:	2,662,407.45	2,123,963.63
(d) Trade Receivable - Credit Impaired	347,288.82	245,787.97
Sub Total :::::	**3,457,590.04**	**3,277,524.19**
Less: Allowance for Expected Credit Loss (refer Note no. 37(7)(II)(i)(a))	451,494.52	434,613.19
Total ::::: (a+b+c+d)	**3,006,095.52**	**2,842,911.00**
* Trade receivables are after deducting Security Deposits received from consumers on individual basis, where as in previous year it was considered on totaling basis)		

NOTE- 12

CASH AND BANK BALANCE

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Cash & Cash Equivalents		
(i) Cash on hand	20.28	37.64
(ii) Cheques/ Drafts on hand	45.13	1,134.81
(iii) Balances with Banks	43,607.07	77,706.38
(iv) Cash with collection Centres	526.06	218.10
(b) Other Bank Balances		
In earmarked Deposit accounts with original maturities less than 3 months*	78,420.90	35,757.21
Total :::::	**122,619.44**	**114,854.14**

* 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. 37(26)]

NOTE -13

LOANS - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Loans to related parties		
Considered good - Unsecured		
(i) Maharashtra State Power Generation Co Limited	47,008.12	46,849.84
(ii) Maharashtra State Electricity Transmission Co Limited	1,572.01	1,579.48
Less: Loss Allowance [refer Note no. 37(7)(II) (i)(b)]	13,781.17	9,990.51
Total :::::	**34,798.96**	**38,438.81**

NOTE - 14
OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Unbilled Revenue	219,612.80	105,169.34
Less: Allowance for Expected Credit Loss (refer Note no. 37(7)(II)(i)(a))	41,239.61	-
	178,373.19	**105,169.34**
Interest on Trade Receivables	1,505,216.53	1,470,624.70
Less: Deferred Interest (refer Note no. 2(5)(a)(v))	587,749.95	413,154.66
Less: Allowance for Expected Credit Loss (refer Note no. 37(7)(II)(i)(a))	208,779.76	453,570.03
	708,686.82	**603,900.01**
Interest accrued	3,132.47	2,803.45
Subsidy & Grant Receivable	92,703.39	2,167.28
Advances to/ Amount recoverable from Employees		-
Considered Good	2,259.99	2,358.72
Considered doubtful	275.33	248.27
Less Provision for Doubtful Adavnce	275.33	248.27
	2,259.99	**2,358.72**
Other Receivables	1,662.96	15,747.10
Amounts receivables from other State Electricity Boards	9,277.29	9,218.37
Less: Provision for Doubtful Advances	9,218.37	9,218.37
Amounts receivables from other State Electricity Boards (Net)	**58.92**	-
Total :::::	**986,877.74**	**732,145.90**

NOTE - 15
OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Prepaid expenses	6,755.54	6,609.59
MVAT receivable	12,760.78	17,332.36
GST Receivable	0.33	-
Total	**19,516.65**	**23,941.95**

NOTE - 16
SHARE CAPITAL

(₹ in Lakhs)

SR NO	PARTICULARS	AS AT 31.03.19 CONSOLIDATED	AS AT 31.03.18 CONSOLIDATED
A]	**AUTHORISED CAPITAL** 60,00,00,00,000 Equity Shares of ₹ 10/- each Fully Paid Up) (Equity Shares :- 60,00,00,00,000 for 31.03.2018)	6,000,000.00	6,000,000.00
B]	**ISSUED, SUBSCRIBED AND PAID UP** 47,614,319,904 Equity Shares of ₹ 10/- each fully paid	4,761,431.99	4,724,525.49
	(Equity Shares Fully Paid :- 47,245,254,904 for 31.03.2018)	4,761,431.99	4,724,525.49

C] RECONCILIATION OF THE NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR :

PARTICULARS	AS AT 31.03.19		AS AT 31.03.18	
	NO OF SHARES	₹ IN LAKHS	NO OF SHARES	₹ IN LAKHS
Opening Balance	47,245,254,904	4,724,525.49	46,496,634,904	4,649,663.49
Fresh Issue	369,065,000	36,906.50	748,620,000	74,862.00
Closing Balance	47,614,319,904	4,761,431.99	47,245,254,904	4,724,525.49

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 31.03.19	AS AT 31.03.18
MSEB Holding Co. Ltd. (Nos.)	47,614,319,844	47,245,254,844
MSEB Holding Co. Ltd. (Amount in ₹ In Lakhs)	4,761,431.98	4,724,525.48

F] DETAILS OF EQUITY SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 % SHARES :

PARTICULARS	AS AT 31.03.19		AS AT 31.03.18	
	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 *	47,614,319,904	100	47,245,254,904	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 FY 2015-16 under Financial Restructuring Plan (FRP) of erstwhile Maharashtra Electricity Board (MSEB)

Note -17
OTHER EQUITY

(₹ in Lakhs)

PARTICULARS		AS AT 31-03-2019 CONSOLIDATED	AS AT 31-03-2018 CONSOLIDATED
*** Share Application Money**			
Opening Balance		-	24,000.00
Add/ (less) :	Received during the year	36,906.50	50,862.00
less:	Shares Issued	(36,906.50)	(74,862.00)
Closing Balance		-	-
Statutory Reserve (Contingency Reserve)			
Opening Balance		57,700.00	57,700.00
Add:	Transfer from retained earnings		
Closing Balance		**57,700.00**	**57,700.00**
Retained Earning			
Opening Balance		(2,689,212.20)	(2,737,920.91)
Add/ (less) :	Profit/ (Loss) for the year	109,663.21	48,708.71
Closing Balance		**(2,579,548.99)**	**(2,689,212.20)**
Other Comprehensive Income (OCI)			
Opening Balance		(33,786.60)	(28,766.64)
Add/ (less) :	Other Comprehensive Income or Expense arising from remesurement of difined benefit obligation	(25,088.94)	(5,019.96)
Closing Balance		**(58,875.54)**	**(33,786.60)**
Total		**(2,580,724.53)**	**(2,665,298.80)**

1 The share application money is converted into Equity shares at par value of ₹ 10 each
2 The company has sufficient Authorised share capital to cover the share capital amount resulting from allotment of shares
3 Equity shares are expected to be allotted against share application money within a reasonable period, not later than 60 days from the balance sheet date except few cases.

NOTE - 18
BORROWINGS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
A) Secured - at amortized cost		
(a) Term loans		
(I) from banks		
State Bank of India *	454,973.42	204,322.17
(II)From Financial Institutions *		
(i) Rural Electrification Corporation	1,926,300.05	1,319,691.90
(ii) Power Finance Corporation	435,739.53	609,173.08
* (includes loan against Regulatory Asset)		
Sub Total (A)::::	**2,817,013.00**	**2,133,187.15**
B) Unsecured - at amortized cost		
(I) From banks		
District Central Cooperative Banks Limited	44,388.89	**41,666.67**
(II) From other parties		
(i)State Government Loans - Government of Maharashtra	1,999.39	3,359.22
(ii)Government of Maharashtra Loan for Uday Yojana	-	-
(III) From related parties		
Maharashtra State Power Generation Co Limited	485.22	485.22
Sub Total (B)::::	**46,873.50**	**45,511.11**
(C) Current Maturities		
Rural Electrification Corporation (REC)	241,093.76	201,979.31
Power Finance Corporation (PFC)	227,479.00	233,054.14
District Central Cooperative Banks Limited	-	24,500.00
State Bank of India	77,139.14	147,616.00
State Govt.Loans - Government of Maharashtra	556.04	1,359.83
Sub Total (C)::::	**546,267.94**	**608,509.28**
Gross Total (A+B-C)::::	**2,317,618.560**	**1,570,188.98**

D] DETAILS OF TERMS OF REPAYMENT FOR THE LONG TERM BORROWINGS AND SECURITY PROVIDED IN RESPECT OF THE SECURED AND OTHER LONG TERM BORRROWINGS :

Particulars	Outstanding amount (₹ in Lakhs) as on 31.03.19	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 (Note 2)	400,000.00	1 Year MCLR + 55 bps	5 Years	6 months	
	454,973.42				
(II) From Financial Institutions *					
(i) Rural Electrification Corporation *	1,926,300.05	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	435,739.53		3 to 20 Years	1 to 5 Years	
* (includes loan against Regulatory Asset)					
	2,362,039.58				
Sub-total (A)	**2,817,013.00**				
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	No Security
(b) GoM Loan for Uday Yojana	-	7.33 to 7.38	* 5 years	NIL	Ref Note No. 37(26)
Sub-total (B)	**46,388.28**				
TOTAL (A+B)	**2,863,401.28**				

NOTE : Outstanding amount includes the current maturities of long term loans

Particulars	Outstanding amount (₹ in Lakhs) as on 31.03.18	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					
(b) State Bank of India	204,322.17	Loans from SBI consists two separate loans taken at following interest rates: 1Year MCLR + 50 bps and 1Year MCLR + 90 bps.	2 Years	3 to 6 Months	(Secured against first & exclusive charge on Trade Receivables (only HT Consumers) of Designated 10 Circles)
Sub-total	**204,322.17**				
(2) From Financial Institutions		Loans taken from REC and PFC carry an interest rate ranging from 10.50% to 12% p.a. alongwith rebate thereon ranging from 25 bps to 105 bps as applicable for the respective loans			Hypothecation of asset created out of these loans and escrow coverage.
(a) Rural Electrification Corporation	1,319,691.90		13 to 15 Years	3 to 5 Years	
(b) Power Finance Corporation	609,173.08		12 to 13 Years	2 to 3 Years	
Sub-total	**1,928,864.98**				
Sub-total (A)	**2,133,187.15**				
B) Unsecured - at amortized cost					
(I) from banks					
District Central Cooperative Banks Limited	41,666.67	9.25	7 Years	NIL	
(3) From Others					
(a) State Government loans - GoM	3,359.22	10.20	10 Years		
(b) GoM Loan for Uday Yojana	-	7.33 -7.38	* 5 Years		Ref Note No. 37(26)
Sub-total (B)	**45,025.89**				
TOTAL (A+B)	**2,178,213.04**				

NOTE : Outstanding amount includes the current maturities of long term loans

NOTE - 19

OTHER FINANCIAL LIABILITIES - NON CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Deposits		
Security deposits from consumers	754,347.92	698,100.01
Deposits for Electrification, service connections, etc.	182.65	332.59
Deposit From Supplier & Contractors	11,656.77	-
From collection agencies	4,429.67	-
		-
Other Payable		
Payable for capital Supplies & services	128,836.13	-
Amount payable to REC on behalf of GoM under RGGVY	2,797.01	3,411.72
Other	21,847.52	18,673.24
Total ::::	**924,097.67**	**720,517.56**

NOTE - 20

PROVISIONS - NON CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Provision for Employee's Benefits:		
Provision for Gratuity [refer Note no. 37(11)(ii)]	187,966.79	177,219.34
Provision for Leave Encashment	179,701.45	187,244.61
Total ::::	**367,668.24**	**364,463.95**

NOTE - 21

OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Consumer Contribution including Contributions from GoM for RGGVY [refer Note no. 37(22)]	276,893.83	264,514.99
Grants including RGGVY Grant from REC [refer Note no. 37(22)]	558,534.52	382,858.46
Uday Loan [refer Note no. 37(25)]	99,200.00	198,400.00
Total ::::	**934,628.35**	**845,773.45**

NOTE -22

BORROWINGS - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
(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. 37(7)(II)(ii)(b)]		
(i) Canara Bank	141,500.00	150,000.00
(ii) Bank of India	-	34,000.00
(iii) United Bank of India	49,000.00	29,000.00
(iv) Syndicate Bank	38,250.00	38,000.00
(v) Bank of Maharashtra	61,750.00	-
		-
(b) Unsecured - at amortized cost		-
(I) Loans from banks (Short term Loan)		-
(i) Raigad District Co-Op Bank	-	10,000.00
(ii) Maharashtra State Co-op. Bank	83,333.33	100,000.00
(iii) Vijaya Bank	-	45,000.00
(iv) Ratnagiri District Co Op Bank	30,000.00	30,000.00
(v) 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. 37(1)(I)(iv)]	12,352.18	12,352.18
(ii) Energy Development	25,000.00	-
Total ::::	**457,853.51**	**448,352.18**

NOTE - 23

TRADE PAYABLES - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Trade Payables:		
Liability for purchase of Power	1,334,339.26	1,878,412.58
Liability for transmission charges	246,597.65	218,111.64
Other Payable	192,952.01	206,799.96
Total ::::	**1,773,888.92**	**2,303,324.18**

NOTE- 24

OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Current Maturities of Long-Term Debt		
(i) Secured - at amortised Cost		
From Financial Institutions	468,572.76	435,033.45
From Banks	77,139.14	172,116.00
(ii) Unsecured - at amortised Cost		
From Government of Maharashtra	556.04	1,359.83
Deposits		
From Consumers	8,966.53	3,672.08
From Others	1,682.34	10,632.55
From Supplier & Contractors	7,478.23	20,292.73
From collection agencies	3,239.39	6,582.82
Other Payable		
Payable for capital Supplies & services	71,035.45	250,527.65
Interest Accrued but not due		
(i) On loans	39,844.58	34,480.74
(ii) On Deposit	60,267.05	56,766.92
(iii) Others	2,834.07	608.39
Payable to Government of Maharashtra towards Electricity Duty and Tax on sale of Electricity	113,179.23	443,470.27
MSEB Holding Co Limited	407,964.69	405,600.05
Interest on Trade Payable for purchase of Power	528,021.32	424,420.00
Interest on Trade Payable for Transmission Charges	90,249.00	79,524.00
Others	30,013.21	17,542.91
Total ::::	**1,911,043.03**	**2,362,630.39**

NOTE - 25

PROVISIONS - CURRENT

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Provision for employee benefits		
(a) Provision for Gratuity [refer Note no. 37(11)]	36,789.09	32,686.10
(b) Provision for Leave encashment	26,545.00	26,713.82
(c) Others	53,751.00	-
Other provisions	418,281.60	224,128.71
Total ::::	**535,366.69**	**283,528.63**

NOTE - 26

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Liability for Grant towards Energisation of Agricluture Pump under Employement Guarantee Scheme	160.33	228.26
Duties & Taxes	8,859.59	7,937.76
Contributions from Consumers [refer note no. 37 (22)]	33,567.31	27,198.00
Grants [refer note no. 37 (22)]	49,023.18	36,234.00
Contingency Reserve [refer Note no 37(29)]	38,000.00	23,700.00
Current Maturity of Uday Loan [refer Note no.37 [25]]	99,200.00	99,200.00
Other Current Liabilities	22,519.71	9,768.83
Total ::::	**251,330.12**	**204,266.85**

NOTE - 27

CURRENT TAX LIABILITIES (NET)

(₹ In Lakhs)

PARTICULARS	AS AT 31-Mar-19	AS AT 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Provision for taxes	25,154.65	-
Less : Advance Income Tax including TDS	218.53	-
Provision for Tax (Net)	24,936.12	-
Total ::::	**24,936.12**	-

NOTE - 28

REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
(a) Revenue from Sale of Power :	7303632.46	6109484.55
Less : Prompt Payment Discount	28738.24	24239.87
Sub Total (a) :::::	**7,274,894.22**	**6,085,244.68**
(b) Other Operating Revenue		
Standby charges	39605.00	39778.92
Miscellaneous charges from consumers	6577.09	5642.53
Sub Total (b) :::::	**46,182.09**	**45421.45**
Total ::::: (a+b)	**7,321,076.31**	**6,130,666.13**

NOTE - 29

OTHER INCOME

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Interest Income		
(a) Interest from non current financial Investment valued at Amortised Cost	1,761.45	1,564.91
(b) Interest from Consumers	187,502.04	138,043.86
(c) Other	3,634.93	631.54
Contribution, Grants and Subsidies towards cost of Capital Assets [refer Note no. 37(22)]	82,590.49	63,430.89
Grant under Ujwal Discom Assurance Yojna UDAY Scheme (refer Note No 37(25))	99,200.00	99,200.00
Revenue from subsidy & grant	8,484.54	40,678.63
Delayed Payment Charges	29,849.03	20,587.61
Withdrawal of Excess delay payment Surcharge (refer Note No 37(3))	377,631.37	-
Provision for Bad & doubtful debt	401,934.27	-
Miscellaneous Income	45,896.55	34,364.98
Total :::::	**1,238,484.67**	**398,502.42**

NOTE - 30

PURCHASE OF POWER

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Power Purchase Cost		
(a) Conventional Power	4,624,377.80	3,881,646.22
(b) Non Conventional Sources	964,848.49	759,190.95
Sub Total (a+b) :::::	**5,589,226.29**	**4,640,837.17**
(c)Less : Rebate	5,068.17	28,030.84
Sub Total (a+b-c) :::::	**5,584,158.12**	**4,612,806.33**
(d) Transmission Charges	758,425.79	737,013.57
Total (a+b-c+d) :::::	**6,342,583.91**	**5,349,819.90**

NOTE - 31

EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Salaries, Wages and Allowances [refer Note no. 37(32)(A)]	395,970.39	330,823.53
Contribution to Provident and Other Funds	90,337.95	90,117.24
Staff Welfare Expenses	18,362.50	16,479.92
Less :Employee Cost Capitalised	41,998.11	26,695.43
Total :::::	**462,672.73**	**410,725.26**

NOTE - 32

REPAIRS & MAINTENANCE EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Plant & Equipment	72,954.30	58,213.92
Buidling	1,255.77	4,215.36
Others	2,238.45	19,177.86
Total :::::	**76,448.52**	**81,607.14**

NOTE - 33

ADMINISTRATIVE EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Administrative Expenses	13,908.44	8,983.86
Legal & Professional Fees	5,146.97	2,519.77
Statutory Auditors fees [refer Note no. 37(21)]	102.86	99.83
Expenses towards Consumer Grievance Redressal Fourm	105.93	50.14
Conveyance and Travel	5,938.27	7,068.84
Commission/Collection charges	8,127.23	7,602.90
Fees & Subscription	1,126.48	443.17
Printing & stationery	1,281.75	1,486.24
Advertisment Expenses	2,501.73	803.07
SecurityMeasures fr Safety&Protection	11,714.69	10,407.13
Expenditure on Computer Billing	29,641.60	26,074.18
Vehicle running Expenses	350.13	392.56
Advt.of Tenders/Notices etc.	252.30	791.44
Others	3,201.72	2,612.58
Less: Administrative Charges Capitalised	6,311.01	3,992.59
Total :::::	**77,089.09**	**65,343.12**

NOTE - 34
FINANCE EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
(A) Interest Expenses		
(a) On Loan from		
Banks	123.16	66.87
Others- Financial Institutions	289,589.81	260,202.72
Less : Interest Cost Capitalised	755.63	1,330.23
	288,957.34	**258,939.36**
(b) On Security Deposits from Consumers	**66,528.02**	**63,260.01**
(c) Payable to Suppliers and Contractors	**119,291.12**	**268,715.92**
(d) Other	3,646.87	-
(B) Other Borrowing Costs		
Financial Charges	2,381.37	1,533.19
Bank Charges	2,492.98	2,756.56
Total :::::(A+B)	**483,297.70**	**595,205.04**

NOTE - 35
DEPRECIATION AND AMORTISATION

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Depreciation on tangible fixed assets	293,228.88	291,789.37
Amortisation on intangible fixed assets	1,277.95	1,494.98
Provision for impairment of CWIP	-	625.86
Total :::::	**294,506.83**	**293,910.21**

NOTE - 36
OTHERS EXPENSES

(₹ in Lakhs)

PARTICULARS	FOR THE YEAR ENDED 31-Mar-19	FOR THE YEAR ENDED 31-Mar-18
	CONSOLIDATED	CONSOLIDATED
Loss on obsolence of Inventory and other	1,877.74	2,175.09
Sundry Expenses	2,976.20	7,567.37
Refund of Regulatory Reliabilty Charges (RLC) as per MERC Order	167.13	70.44
Contribution to Contigency Reserve as per MERC Regulation	14,300.00	12,900.00
Bad debt written off [refer Note no. 37(7)(II) (i) (a)]	401,934.27	
Expected Credit Loss	221,036.10	116,638.91
Total :::::	**642,291.44**	**139,351.81**

NOTE NO. 37
ADDITIONAL NOTES TO CONSOLIDATED ACCOUNTS

1. Contingent Liabilities, Contingent Assets and Commitments :

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
I.	Contingent Liabilities		
(a)	Claims against the MSEDCL not acknowledged as debts-		
	(i) Datar Switchgear Ltd. (refer para i below)	70,344	66,032
	(ii) Asian Electronics Ltd. (refer para ii below)	15,712	15,712
	(iii) Power Purchase (refer para iii below)	9,27,054	6,91,735
	(iv) MIDC Interest free Loan (refer para iv below)	6,940	6,940
	(v) Mula-Pravara Electric Co-op. Society Ltd. (refer para v below)	45,709	42,839
	(vi) Others [refer para vi below]	51,678	50,965
	Total of (a)	**11,17,437**	**8,74,223**
(b)	Disputed Duties / Tax Demands		
	(i) Income Tax	3,21,481	4,27,775
	(ii) TDS	3,615	3,416
	(iii) Excise Duty	133	220
	(iv) MVAT	1,88,266	536
	(v) Service Tax	44,949	-
	Total of (b)	**5,58,444**	**4,31,947**
	Total of (a+b)	**16,75,881**	**13,06,170**
II.	Contingent Assets (Refer para I (iii) (j) and II below)	35,250	85,157
III.	Other Commitments		
	(i) Refer para III below	-	-
	(ii) Refer para 12(ii) below	18,880	23,600
IV.	Capital Commitments		
	Liability against capital commitments (net of advances given)	5,47,443	4,36,994

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 ₹ 70,344 Lakhs - including accumulated interest of ₹62,926 lakhs (P. Y. ₹ 66,032 Lakhs- including accumulated interest of ₹58,614 lakhs).

(ii) Asian Electronics:

The lease rent payment to Asian Electronics 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 & a claim of ₹ 15,712 lakhs (P. Y. ₹ 15,712) has been lodged against the company.

MSEDCL has lodged counter claim of ₹ 50,231 lakhs against Asian Electronics. The case is pending in the Arbitral Tribunal for hearing. Asian Electronics is under process of liquidation, hence the counter claim is not considered as a part of contingent assets.

(iii) Power purchase Liabilities :

a) Pursuant to Central Electricity Regulatory Commission (CERC) order in Aug 2000 and July 2004, the wheeling charges are to be paid to the Orissa Power Transmission Corporation Limited (OPTCL) @10 Paise p/u. MSEDCL pays monthly transmission charges bill at the same rate only which is not accepted by OPTCL and they have raised bills @ 17 Paise p/u and showing arrears in their bill. MSEDCL vide letter dated 16.08.2011 has requested OPTCL to withdraw arrears and revise the bills. However, the reply from OPTCL is still pending. The arrears as shown by OPTCL as on 31st Mar 2014 are ₹1,661 Lakhs (P. Y. ₹1,661 Lakhs). Now, the transmission charges pertaining to wheeling of power through OPTCL's transmission lines are recovered through the Point of Connection (POC) mechanism.

b) The monthly bill of Sardar Sarovar Projects (SSP) is admitted by MSEDCL @ 2.05 Rs/KWH as decided in the meeting of Government of Maharashtra, whereas the bill is raised by SSP @ 3.00 Rs/KWH without showing any arrears. In case, it is decided to pay @ Rs 3 p/u, MSEDCL will have an additional liability of ₹ 24,783 Lakhs (P. Y. ₹ 23,314 Lakhs).

c) 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 vide Order dated 20.08.2014 approved ₹1.95 per Kwh for APML and as indicative compensatory fuel charge.

MSEDCL has preferred an appeal against the said order of MERC before the Appellate Tribunal for Electricity (APTEL) wherein APTEL has remanded back the case to MERC for fresh hearing in view of The Supreme Court's judgment in Coastal Gujarat Power Ltd. matter on similar grounds.

MERC passed an order on 07.03.2018 and allowed compensation to APML. Accordingly, APML raised a claim of ₹ 2,82,100 lakhs, vide their invoice dated. 06.10.2018. In the absence of clarity over the method of calculation of the balance amount payable (since the matters relating to the technical parameters considered for calculation of amount payable are under litigation), MSEDCL has not made provision for the balance amount and has considered the same as contingent liability. Further, MERC has also allowed carrying cost on claim of NCDP to APML vide its order in case no 295 of 2018. Accordingly, MSEDCL may have to pay the balance claim of ₹ 1,42,100 Lakhs along with carrying cost. The approximate amount of carrying cost till 31st March 2019 comes to the tune of ₹ 38,600 Lakhs. Hence, total amount of ₹ 1,80,700 Lakhs considered as contingent liability.

d) The Power Purchase Agreements (PPAs) with Individual Power Plants (IPPs) provide for Delayed Payment Surcharge (DPS). There is variation in the principal amount (on account of various factors) as well as rate of interest considered for the purpose of calculating DPS. MSEDCL has accounted for the DPS based on its working of principal as well as interest rate. The difference of ₹ 1,00,786 lakhs (P.Y. ₹ 44,694 lakhs) between DPS calculated by MSEDCL and DPS as claimed by the IPPs has not been accounted and is considered as contingent liability as detailed below.

(₹ in Lakhs)

Particulars	Contingent Liability on account of DPS	
	As at 31.03.2019	As at 31.03.2018
Adani Power Maharashtra Ltd 1320 MW	36,077	23,647
Adani Power Maharashtra Ltd 1200 MW	35,861	10,096
Adani Power Maharashtra Ltd 125 MW	2,267	1,129
Adani Power Maharashtra Ltd 440 MW	2,862	601
Rattan India Power Ltd 450 MW	6,979	884
Rattan India Power Ltd 750 MW	4,443	193
JSW Energy Limited	9,417	7,616
GMR Warora Energy Ltd	2,880	529
TOTAL	**1,00,786**	**44,695**

e) MERC has held that, the coal distribution policy viz. SHAKTI policy (Scheme for Harnessing and Allocating Koyala Transparently in India) is as a Change in Law event and has allowed compensation to APML from April 2017 onwards. APML has raised claim of ₹ 2,32,000 Lakhs for the period from April 2017 to March 2019. However, MSEDCL has filed an appeal in APTEL against the order of MERC.

MSEDCL may also be required to pay the carrying cost on the claim amount of APML. The approximate impact of carrying cost comes to ₹ 19,600 Lakhs. Hence, the total amount of ₹ 2,51,600 Lakhs has been considered as contingent liability under SHAKTI policy.

f) CERC has allowed compensation to GMR Warora Energy Ltd., (GWEL) towards domestic coal shortfall viz. SHAKTI policy under the provisions of Change in law in PPAs vide its order in case no. 284 of 2018. Moreover, CERC, by another order, has also allowed compensation to GWEL and directed to consider the technical parameters such as Station Heat Rate (SHR) of plant on actual basis and Gross Caloforic Value (GCV) of coal on receipt basis instead of considering the parameters on standard basis. Accordingly, based on the directions of CERC, GWEL has submitted its claim of ₹ 9,300 Lakhs.

MSEDCL may also be required to pay the carrying cost on the claim amount of GWEL. The approximate impact of carrying cost comes to the tune of ₹ 1,129 Lakhs. However, MSEDCL has filed an Appeal in APTEL against both the orders of CERC. Hence, the total amount of ₹ 10,429 Lakhs is considered as contingent liability under SHAKTI policy.

g) 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 claimed ₹ 3,51,004 Lakhs (upto March 2019). 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 ₹ 3,51,004 lakhs (P.Y. ₹2,88,323.32Lakhs) is considered as contingent liability.

h) 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 Contract Performance Guarantee (CPG) amounting to ₹ 5,100 Lakhs.

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 the amount ₹ 5,100 Lakhs i.e. equivalent to BG amount encashed is considered as contingent liability.

i) MERC had passed an order allowing compensation to JSW Energy Ltd. (JSWEL) towards various changes in law events vide its order in case no. 123 of 2017. JSWEL raised a 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. JSWEL has filed an appeal in APTEL against the order of MERC. The matter is pending before APTEL. The amount of ₹ 1,000 Lakhs is considered as contingent liability.

j) Most of the above mentioned amounts [covered by paragraphs (a) to (i) 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) <u>Interest Free Loan from Maharashtra Industrial Development Corporation (MIDC) :</u>

The various electrical infrastructures up gradation and system improvement work at MIDC areas are carried out by MSEDCL. Considering the urgency, necessity & 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 available details, MSEDCL has accepted claims amounting to ₹ 4,729 Lakhs and accounted for the same as interest free loan.

Out of ₹ 4,729 Lakhs, MSEDCL has repaid ₹ 2,224 Lakhs to MIDC on the basis of Work Completion Report (WCR) and Handing Over Taking Over document received from field offices. ₹ 6,940 Lakhs has been considered as Contingent Liability.

Further, MIDC has sanctioned ₹ 9,848 Lakhs vide letter dated 23.01.2017, and the same is received by MSEDCL on 24.01.2017.

In both the cases, 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 and 26.02.2018 requested MIDC to provide the repayment schedule of the interest free loan of ₹ 9,848 Lakhs but the reply is awaited from MIDC.

(v) <u>Deposits made by MSEDCL with MERC against user charges for use of assets of Mula-Pravara Electric Co-op. Society Ltd. :</u>

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 APETEL 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 license, 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 (third matter), 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 filled appeal before Hon'ble APTEL in this regard in which Hon'ble APTEL vide its order dated 13.3.2015 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)

Particulars	Paid up to 31.03.2018	Paid during FY 2018-19	Paid up to 31.03.2019
MPESC (charged to statement of profit & loss)	8,664	1,200	9,864
MERC (Deposit)	42,839	2,870	45,709
Total	**51,503**	**4,070**	**55,573**

As such, the amount of ₹ 45,709 Lakhs (P. Y. ₹ 42,839 Lakhs) deposited with MERC is considered as a contingent liability.

(vi) <u>Others</u>:

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 31.03.2019	As at 31.03.2018
1	Vodafone India Ltd. (since merged with and post merger w.e.f. 31.08.2018 known as Vodafone Idea Ltd.)	1,167	1,049
2	Idea Cellular Ltd (since merged with and post merger w.e.f. 31.08.2018 known as Vodafone Idea Ltd.))	2,275	2,069
3	Asian Electronics Ltd.	-	50,231
4	Various Suppliers of Materials	31,808	31,808
	Total	**35,250**	**85,157**

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.

III. Other Commitments:

The Company has executed PPAs for purchase of power up to capacity of around 36,589 MW for FY 2018-19 (PY 36,435 MW) with various Individual Power Plants (IPPs) and is committed to procuring power as per the requirement and on Merit Order Dispatch (MOD) principle as directed by MERC, at the rate as applicable from time to time.

2. Going Concern Assumption :

The accumulated losses of the Company as at 31st March 2019 are ₹ 26,38,425 Lakhs. (P.Y. ₹ 27,22,999 Lakhs) Considering the fact that Government of Maharashtra is expected to infuse additional equity funds whenever required, the financial statements have been drawn up on going concern basis and no adjustment is required to the carrying value of assets and liabilities.

3. The payments to MSETCL and MSPGCL are delayed and as such they have claimed Delayed Payment Charges/ Surcharge. MSEDCL could not pay to these parties as per Power Purchase Agreement (PPA), as there is delay in issue of various orders from MERC and due to billing issues. MSEDCL and MSEB Holding Co. have requested them to waive the interest. Further, the matter is taken up with GoM as per MSEB Holding Co. Ltd.'s directives for extending financial assistance for discharging the liability. However, the provision for DPS payable to MSPGCL and MSETCL was made up to March 2018 in FY 2018-19 based on calculation made by MSETCL and MSPGCL respectively. There is huge difference in the amount claimed by MSPGCL & MSETCL and that calculated by MSEDCL. The difference is mainly due to differential treatment of apportion of payment i.e. while MSPGCL adjust the payment made towards interest first, MSEDCL adjust the payment against principal first. MSEDCL has requested MSPGCL to revise the calculations and the matter is under consideration. Therefore, DPS amount as per MSEDCL's calculations has been accounted for in FY 2018-19.

Further, the excess DPS of ₹ 3,24,140 Lakhs in case of MSPGCL and of ₹ 53,491 Lakhs of MSETCL for the earlier years have been reversed and shown as withdrawal of excess DPS under the head Other Income in Note 29.

4. Accounting of Renewable Purchase Obligation (RPO):

As per MERC RPO regulation 2016, every Obligation Entity shall procure electricity generated from eligible RE sources to the extent of the percentages specified in regulation, out of its total procurement of electricity from all sources in a year. MSEDCL in FY 2018-19 have not fulfilled the RPO as per MERC specification. Hence MSEDCL has provided ₹ 2,39,000 lakhs towards the shortfall.

5. Balance Confirmation :

Balances of Trade Payables, Loans & Advances given, Other Current as well as Non- Current Assets/Liabilities are subject to reconciliation / confirmation and necessary adjustments, if any, from the respective parties. The management does not expect any material difference affecting the current year financial statement due to the same.

Balance confirmations of various post offices balances 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.

6. **Capital Work in Progress and Property Plant Equipment :**

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.

7. **Financial Instruments:**

The classification of assets and liabilities has been given as below:

NOTE 37 (7) :

Classification of Financial Assets and Financial Liabilities:

The following table shows the carrying amount

(₹ in Lakhs)

Particulars	As at 31.03.2019				As at 31.03.2018			
	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	-	-		-	200	-		
(ii) Investments in Bonds	-	-	18,573	19,087	-	-	18,582	18,982
(iii) Trade Receivables	-	-	3,006,096	3,006,096	-	-	2,842,911	2,842,911
(iv) Cash and Cash Equivalents	-	-	44,199	44,199	-	-	79,097	79,097
(v) Other Bank Balances	-	-	78,421	78,421	-	-	35,757	35,757
(vi) Loans	-	-	34,799	34,799	-	-	38,439	38,439
(vii) Other Financial Assets	-	-	1,060,747	1,060,747	-	-	799,840	799,840
Total	-	-	**4,242,834**	**4,243,348**	**200**	-	**3,814,626**	**3,815,026**
Financial liabilities								
(i) Borrowings including Current Maturities	-	-	3,321,740	3,321,740	-	-	2,627,050	2,627,050
(ii) Trade Payables	-	-	1,773,889	1,773,889	-	-	2,303,324	2,303,324
(iii) Other Financial Liabilities excl. Current Maturities	-	-	2,288,873	2,288,873	-	-	2,474,638	2,474,638
Total	-	-	**7,384,502**	**7,384,502**	-	-	**7,405,013**	**7,405,013**

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 counterparty 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:

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 of MSEDCL are of a short duration and do not carry any contractual rate of interest unless there is a default in payment. Even in such circumstances when a consumer pays the arrears, the interest is the last element to be recovered. Accordingly, effective interest rate of trade receivables is considered to be negligible and discounting of expected cash shortfalls to reflect the time value of money are considered to measure the expected credit losses.

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:

The Company has considered trade receivables after deducting security deposits received from consumers on individual basis.

(a) The Company has considered trade receivables from customers against whom legal proceedings have been initiated. In the preceding year, no individual identification was done.

(b) The Company has also considered trade receivables due from distribution franchisees except Global Tower Limited (GTL) as the legal proceedings have been initiated for recovery of receivable amount.

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 ₹7,54,348 lakhs and ₹ 7,54,775 lakhs respectively. There is difference of ₹ 427 lakhs (F.Y. 2017-18 ₹3,878 lakhs) between the security deposit from consumers as per books of accounts and IT.

The movement in allowance for expected credit losses on trade receivable is as under.

(₹ in Lakhs)

Particulars	Amount
ECL Allowance as on March 31, 2017	**7,76,038**
Addition during the FY 2017-18	1,15,866
Write-off during FY 2017-18	3,720
ECL Allowance as on March 31, 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**

b) Other Receivables :-

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 (including provision for doubtful debts) on other receivables is as under.

(₹ in Lakhs)

Particulars	Amount
ECL Allowance as on March 31, 2017	**9,671**
Movement during FY 2017-18	773
ECL Allowance as on March 31, 2018	**10,444**
Movement during FY 2018-19	3,791
ECL Allowance as on March 31, 2019	***14,235**

*It includes provision of bad and doubtful debts of ₹ 2,025 lakhs (P.Y. ₹ 453 lakhs) on other receivables from companies under the same management / subsidiaries.

The details of computation of ECL on trade receivables & other receivables are as follows:

NOTE 37(7)(II)(i)(a) :

(₹ in Lakhs)

ECL on Trade Receivables including interest

Customer Category	Net Trade Receivables (Gross Outstanding Less Allocated Security Deposit)	ECL Allowance	Percentage of Allowance to Net Outstanding	Net Trade Receivables (Gross Outstanding Less Allocated Security Deposit)	ECL Allowance	Percentage of Allowance to Net Outstanding
	As on 31.03.2019			As on 31.03.2018		
Government Customers	476,871	59,874	12.56%	463,353	66,446	14.34%
*Regular Good	490,717	27,928	5.69%	-	-	-
*Regular Residual	2,294	454	19.78%	-	-	-
Agricultural	2,660,838	454,448	17.08%	2,390,903	449,475	18.80%
Permanently Disconnected	666,954	414,543	62.15%	671,263	372,262	55.46%
Sundry Debtors for Sale of Power to Frachisee	12,485	14	0.11%	-	-	-
Total	**4,310,158**	**957,261**		**3,525,519**	**888,183**	
Provision for bad and doubtful debts	146,188	146,188	-	-	-	-
Write off of trade receivables		(401,934)				
Total of above	**4,456,346**	**701,514**	**15.74%**	**3,525,519**	**888,183**	**25.19%**

NOTE 37(7)(II)(i)(b) :

ECL on Other Receivables

(₹ in Lakhs)

Customer Category	Net Trade Receivables (Gross Outstanding Less Allocated Security Deposit)	ECL Allowance	Percentage of Allowance to Net Outstanding	Net Trade Receivables (Gross Outstanding Less Allocated Security Deposit)	ECL Allowance	Percentage of Allowance to Net Outstanding
	As on 31.03.2019			As on 31.03.2018		
MSPGCL	47,008	12,209	25.97%	46,850	9,662	20.62%
MSETCL				1,579	328	20.78%
Total	**47,008**	**12,209**	**25.97%**	**48,429**	**9,991**	**20.63%**
Provision for bad and doubtful other receivables:						
MSETCL	1,572	1,572	100.00%			
MPDCL	247	247	100.00%	247	247	100.00%
DCPL	207	207	100.00%	207	207	100.00%
Total of provision	2,025	2,025	100.00%	453	453	100.00%
Grand total	**49,034**	**14,235**	**29.03%**	**48,883**	**10,444**	**21.37%**

Note on Credit Risk Concentration

MSEDCL does not have any credit risk concentration. It has more than 266 lakhs (P.Y. 255 lakhs) consumers in various categories with diverse patterns of consumption of electricity.

c) **Cash and Bank Balances:**

Credit loss is not provided for Cash and Bank Balances as they are held with the banks, having good reputation.

d) **Investments:-**

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 (P.Y. ₹ 5 lakhs).

(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:**

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 (FY 2017-18 ₹7,00,000 Lakhs) has been made with the various banks, details of which are as under

(₹ in Lakhs)

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 31.03.2019	Fund Based balance as on 31.03.2019	Non Fund Based Limits	Non Fund Based Limits utilized as at 31.03.2019	Non Fund Based balances as on 31.03.2019
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 [refer note 1(I)(a)(vi)] and Letter of Credit of ₹ 2,62,541 lakhs.

Arrangement for working capital facilities (fund based and non-fund based) for FY 2017-18.

(₹ in Lakhs)

Particulars	Fund Based Limits (Cash Credit Facility/ WCDL)	Fund Based Limits utilized as at 31.03.2018	Fund Based balance as on 31.03.2018	Non Fund Based Limits	Non Fund Based Limits utilized as at 31.03.2018	Non Fund Based balances as on 31.03.2018
Canara Bank	1,50,000	1,50,000	-	2,05,000	1,84,634	20,366
Bank of India	34,000	34,000	-	95,000	52,845	42,155
United Bank of India	49,000	29,000	20,000	-	-	-
Syndicate Bank	38,250	38,000	250	3,300	-	3,300
Bank of Maharashtra	63,750	-	63,750	11,700	1,836	9,864
Untied GAP	15,000	-	15,000	35,000	-	35,000
Total	**3,50,000**	**2,68,000**	**99,000**	**3,50,000**	***2,39,315**	**1,10,685**

*It includes Bank Guarantee of ₹ 987 lakhs [refer note 1(I)(a)(vi)] and Letter of Credit of ₹ 2,03,766 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)

Particulars	As at 31-Mar-19	As at 31-Mar-18
(I) Loans from banks (Short term Loan)		
(i) Raigad District Co-Op Bank	-	10,000
(ii) Maharashtra State Co-op. Bank	83,333	1,00,000
(iii) Vijaya Bank	-	45,000
(iv) Ratnagiri District Co Op Bank	30,000	30,000
(v) 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
(ii) Energy Development Agency Ltd	25,000	-
Total	**1,67,353**	**1,97,352**

c) Maturities of financial liabilities :

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

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. (₹ in Lakhs)

Contractual cash flows						
	As at 31.03.2019			As at 31.03.2018		
	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	457,854	1,829,430	1,034,457	448,352	1,548,270	630,428
Trade payables	1,773,889	-	-	2,303,324	-	-
Other financial liabilities	1,364,775	8,518	915,580	1,754,121	13,806	706,712
Total	**3,596,518**	**1,837,947**	**1,950,037**	**4,505,797**	**1,562,076**	**1,337,140**

ii) 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 :

MSEDCL's interest rate risk arises from the potential changes in interest rates on borrowings. The interest rate profile of theMSEDCL's interest bearing financial instruments is as follows.

(₹ in Lakhs)

	Carrying amounts	
	As At 31.03.2019	**As At 31.03.2018**
Fixed-rate instruments Financial liabilities- Borrowings	14,50,015	8,86,026
Variable-rate instruments Financial liabilities- Borrowings	18,58,888	17,28,187

c) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

(₹ in Lakhs)

	25 bp increase	**25 bp decrease**	**25 bp increase**	**25 bp decrease**
	31.03.2019		**31.03.2018**	
Floating rate borrowings	(4,647)	4,647	(4,320)	4,320
Cash flow sensitivity (net)	(4,647)	4,647	(4,320)	4,320

8. <u>Regulatory Assets :</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

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 12.09.2018 has approved the final truing up of Aggregate Revenue Requirement (ARR) FY 2015-16, FY 2016-17, provisional truing up of FY 2017-18 and approved tariff for FY 2018-19.

Accordingly, Regulatory Asset of MSEDCL as at 31st March 2019 is accounted for and the details are as follows:

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.3.2019	As at 31.3.2018
A	Opening Regulatory Asset	9,47,874	4,92,372
B	Regulatory income during the year:		
	i) Power purchase cost [excluding provision made of ₹ 2,39,000 lakhs (P.Y. ₹ 33,000 lakhs)towards shortfall of Renewable Power Obligation (RPO)]	61,03,584	52,66,700
	ii) Other expenses as per the terms of Tariff Regulations including ROE	10,91,849	13,18,839
	iii) Revenue billed during the year	73,03,632	61,82,300
	iv) Carrying Cost Allowed	58,700	52,263
	Regulatory income / (expenses) (i+ii-iii+iv)	-49,500	4,55,503
C	Allowance/(disallowance) of income of previous year(s)	-	-
D	Closing Regulatory Asset/(Liability) (A+B+C)	8,98,374	9,47,874

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.

9. <u>Subsidy from GoM towards concession in Tariff:</u>

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.
2017-18	3,23,026	7,61,591	8,74,363	2,10,254
2018-19	2,10,254	10,34,557	11,66,207	78,604

10. Termination of Distribution Franchisee Agreement

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 ₹ 31,451 Lakhs - including accumulated interest of ₹ 29,928 lakhs (Prev. Year ₹ 26,374 Lakhs - including accumulated interest of ₹ 24,851 lakhs).

11. Ind AS 19- Employee Benefits :

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. However, there is no further liability which remained to be provided as at the end of the year, on account of shortfall in interest payable to the beneficiaries.

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 31.03.2019	As at 31.03.2018
1.	Liability for subscriptions and interest payable to employees at the end of year	6,07,553	5,46,732
2.	Fair Value of Plan Assets at the end of year	6,13,456	5,92,812
3.	Surplus	5,903	46,080

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, 2019 (in %)	For the year ended 31st March, 2018 (in %)
1.	Central Government Securities	8.37	14.78
2.	Other Securities	27.89	19.81
3.	Listed Debt Securities	4.81	5.27
4.	Basel III Tier-I Bonds	32.27	32.17
5.	Exchange Traded Funds (EFT's)	1.66	1.43
6.	Special Deposit Scheme	24.99	26.53

(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, 2019 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)

Particular	Gratuity	
	01.04.2018 to 31.03.2019	**01.04.2017 to 31.03.2018**
Opening Defined Benefit Obligation	2,09,905	2,19,732
Current Service Cost	12,495	12,396
Past Service Cost	-	962
Interest Cost	14,904	14,623
Actual Plan Participants' Contributions	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	(37,638)	(42,828)
Past Service Cost	-	-
Curtailments/Settlements	-	-
Actuarial (Gains)/Losses	25,089	5,020
Closing Defined Benefit Obligation	2,24,756	2,09,905

Table 2. Net Defined Benefit Asset/ (Liability)

(₹ in Lakhs)

Particular	Gratuity	
	01.04.2018 to 31.03.2019	01.04.2017 to 31.03.2018
Defined Benefit Obligation	2,24,756	2,09,905
Fair Value of plan Assets	-	-
(Surplus)/Deficit	2,24,756	2,09,905
Effect of Asset Ceiling	-	-
Net Defined Benefit Liability/(Asset)	2,24,756	2,09,905

Table 3: Major Actuarial Assumptions

(₹ in Lakhs)

Description	31 March 2019	31 March 2018
Discount rate	7.65%	7.70%
Future Basic salary increase	First Year -32.50% Thereafter 3% (with 18% increases in every 5th year)	7.00%
Withdrawal rate	Age based : Upto 50 years - 0.5% Thereafter - 2%	Age based : Upto 50 years - 0.5% Thereafter - 2%
Mortality rate	IALM (2006-08) 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

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-Mar-19	31-Mar-18
a. Discount rate - 100 basis points	2,43,900	2,28,644
b. Discount rate - 100 basis points impact (%)	8.52%	8.93%
c. Discount rate + 100 basis points	2,08,482	1,94,023
d. Discount rate - 100 basis points impact (%)	(7.24%)	(7.57%)
Salary increase rate		
e. Rate - 100 basis points	2,08,282	1,93,795
f. Rate - 100 basis points impact (%)	(7.33%)	(7.68%)
g. Rate + 100 basis points	2,43,793	2,28,581
h. Rate + 100 basis points impact (%)	8.47%	8.90%

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 -2019	31 -March -2018
Year 1	36,789	32,686
Year 2	27,667	28,164
Year 3	20,230	21,720
Year 4	16,505	16,225
Year 5	14,753	13,758
Year 6 to 10	80,555	65,813
Average Expected Future Working life	18.12	17.12

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 upto300 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)

Particular	Leave Encashment	
	01.04.2018 to 31.03.2019	01.04.2017 to 31.03.2018
Opening Defined Benefit Obligation	2,13,958	2,18,078
Current Service Cost	16,770	16,358
Past Service Cost	-	-
Interest Cost	15,446	14,779
Actual Plan Participants' Contributions	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	(33,005)	(31,009)
Past Service Cost	-	-
Curtailments/Settlements	-	-
Actuarial (Gains)/Losses	(6,924)	(4,248)
Closing Defined Benefit Obligation	2,06,246	2,13,958

Table2. Net Defined Benefit Asset/ (Liability)

(₹ in Lakhs)

Particular	Leave Encashment	
	01.04.2018 to 31.03.2019	01.04.2017 to 31.03.2018
Defined Benefit Obligation	2,06,246	2,13,958
Fair Value of plan Assets	-	-
(Surplus)/Deficit	2,06,246	2,13,958
Effect of Asset Ceiling	-	-
Net Defined Benefit Liability/(Asset)	2,06,246	2,13,958

Table 3: Major Actuarial Assumptions

(₹ in Lakhs)

Description	31 March 2019	31 March 2018
Discount rate	7.65%	7.70%
Future Basic salary increase	First Year -32.50% Thereafter 3% (with 18% increases in every 5th year)	7.00%
Withdrawal rate	Age based : Upto 50 years - 0.5% Thereafter - 2%	Age based : Upto 50 years - 0.5% Thereafter - 2%
Mortality rate	IALM (2006-08) 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

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-Mar-19	31-Mar-18
a. Discount rate - 100 basis points	2,27,732	2,36,975
b. Discount rate - 100 basis points impact (%)	10.42%	10.76%
c. Discount rate + 100 basis points	1,88,243	1,94,701
d. Discount rate - 100 basis points impact (%)	(8.73%)	(9.00%)
Salary increase rate		
e. Rate - 100 basis points	1,88,013	1,94,419
f. Rate - 100 basis points impact (%)	(8.84%)	(9.13%)
g. Rate + 100 basis points	2,27,620	2,36,905
h. Rate + 100 basis points impact (%)	10.36%	10.72%

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 recognised 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 -2019	31 -March -2018
Year 1	26,545	26,714
Year 2	20,346	23,513
Year 3	15,123	18,553
Year 4	12,592	14,185
Year 5	11,453	12,288
Year 6 to 10	67,590	63,315
Average Expected Future Working life (Years)	18.13	17.13

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.

B) Defined Contribution Plan:

(i) Staff Welfare Fund (SWF):

This fund is setup 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 of this fund 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 SWF 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 SWF and booked as an expense the interest of ₹ 1,573 lakhs (P.Y. ₹ 1,300 lakhs). Unspent amount as on 31.03.2019 is ₹ 10,530.98 lakhs (P.Y. ₹8,555.21 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 ₹ 285 lakhs (P.Y. ₹ 259 lakhs).

12. <u>Accounting For Operating Lease (Ind AS 17)</u>:

(i) The Company has numerous operating leases for office and residential premises for employees that are renewable on periodic basis and cancellable at its option. An expense by way of lease rent for operating leases recognised in the Statement of Profit and Loss for the year is ₹ 5,526 Lakhs (P. Y. ₹ 2,839 Lakhs).

(ii) The Company has entered into lease agreements with MSEB Holding Company Ltd. in respect of office premises occupied at Head Office i.e. 'Prakashgad' and 'Dharavi', Guest House at New Delhi and residential quarters at various places in Mumbai. The lease agreements are renewable after 60 months at the option of both the lessor and the lessee. Lease charges paid during the year amounting to ₹ 4,720 Lakhs (P. Y. 1,873 Lakhs) included in the amount shown at (i) above.

Details of contractual payment under non-cancellable lease are given below:

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Not later than 1 year	4,720	4,720
Later than 1 year and not later than 5 years	14,160	18,880
Later than 5 years	-	-
Total	18,880	23,600

(iii) 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 in terms of Appendix C to Ind AS 17 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.

13. Taxation:

(I) Current Tax –

In the absence of any taxable income for the year as per the provisions of the Income Tax Act, 1961, no provision for income tax for current year has been made. Further, there is no tax liability as per Minimum Alternate Tax (MAT) under section 115-JB of the Income Tax Act, 1961. Provision for income tax for FY 2017-18 as per the provisions of the Income Tax Act, 1961 has been made during the year.

a) Income tax expense

(i) Income tax recognised in statement of profit and loss

(₹ in Lakhs)

Sr. No.	Particulars	As At 31.03.2019	As At 31.03.2018
A	**Current tax expense**		
	Current year	-	-
	Adjustment for earlier years	21,508	-
	Pertaining to regulatory deferral account balance	-	-
	Total current tax expense	**21,508**	-
B	**Deferred tax expense**	-	-
C	**Total tax expense (A+B)**	**21,508**	-

(ii) Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	As At 31.03.2019			As At 31.03.2018		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Net actuarial (gains)/ losses on defined benefit plans Current year	25,089	(5,406)	19,683	-	-	-
Net actuarial (gains)/ losses on defined benefit plans earlier year	5,020	(1,071)	3,949	-	-	-

(iii) Reconciliation of tax expense and the accounting profit multiplied by applicable rate

(₹ in Lakhs)

Sr. No.	Particulars	As At 31.03.2019 Current year	As At 31.03.2018 *Earlier year
A	**Profit before tax including movement in regulatory deferral account balances**	131,170	49,224
B	**Tax at the applicable tax rate of 21.54% (P.Y 21.34%)**	28,266	10,505
C	**Tax effect of:**		
	Non-deductible tax expenses	-	
	Provisions for doubtful debts and advances	47,631	24,920
	Provisions for non-moving items	331	36
	Adjustment	6,848	6,484
	Remeasurement of defined benefit plans	(5,406)	(1,071)
	Bad debts written off	(86,612)	-
	Lower of the book loss/unabsorbed depreciation	-	(19,365)
D	**Current Year tax liability**	-	21,508
E	**Total tax expense recognised in the statement of profit and loss***	21,508	-

*Provision for Income tax for F.Y. 2017-18 is made in F.Y. 2018-19

b) Deferred Tax -

Deferred Tax consists of the following items:

(₹ in Lakhs)

Sr. No.	Particulars	As At 31.03.2019	As At 31.03.2018
1.	Difference in WDV as per books and Income Tax Act	3,69,348	5,88,481
2.	Regulatory Asset	2,80,293	2,92,893
3.	**Deferred Tax Liability(1+2)**	**6,49,641**	**8,81,374**
4.	Expenses Allowable on payment basis	1,58,993	1,30,974
5.	Unabsorbed Depreciation	3,47,026	3,45,304
6.	Unabsorbed Loss	1,81,224	1,78,786
7.	Provision for Doubtful Debts	2,26,246	2,80,578
8.	Regulatory Liability	-	-
9.	**Deferred Tax Asset(4 to 8)**	**9,13,489**	**9,35,642**
10.	**Net Deferred Tax Asset / (Liability)(9-3)**	**2,63,849**	**54,268**

In view of the uncertainty regarding generation of sufficient future taxable income, deferred tax assets have not been recognised.

14. **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.

15. **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.

16. **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.

17. **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.

18. **Earnings per Share :**

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:

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Net Profit/ (net loss) after Tax (₹ in Lakhs)	109,662	48,709
Weighted average No. of equity shares for basic Earnings per shares	47,44,54,46,562	46,67,63,67,726
Earnings per share ₹ Basic	0.23	0.10
Weighted average No of equity shares for diluted Earnings per share	47,48,42,06,822	46,79,98,66,356
Diluted Earnings Per Share ₹	0.23	0.10

B) Earnings per share (excluding regulatory income):

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Net Profit/ (net loss) after Tax (₹ in Lakhs)	159,163	(406,794)
Diluted earnings per equity share-Weighted average no of equity shares outstanding	47,48,42,06,822	46,79,98,66,356
Earnings per share ₹ Basic	0.34	(0.87)
Diluted Earnings Per Share ₹	0.34	(0.87)

C) Reconciliation of Number of shares:

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Basic earnings per equity share-Weighted average no of equity shares outstanding	47,44,54,46,562	46,67,63,67,726
Effect of dilutive common equivalent shares-Share application money pending allotment	3,87,60,260	12,34,98,630
Diluted earnings per equity share-Weighted average no of equity shares outstanding	47,48,42,06,822	46,79,98,66,356

19. <u>Technical Parameters and Subsidy related information:</u>

Sr.No.	Particular	Unit	FY : 2018-19	FY: 2017-18
A	Gross Energy Generated	MU	NA	NA
B	Less: Auxiliary Consumption	MU	NA	NA
C	Energy Purchased (Gross)	MU	1,36,253	1,28,340
D	Input Open Access	MU	5,322	4,578
E	Total Input Energy (A-B+C+D)	MU	1,41,575	1,32,918
F	Less: Energy Traded/ Inter-state sales (Net)	MU	1,134	542
G	Less: Transmission Loss	MU	7,905	9,046
	Transmission Losses (%)		5.58	6.81
H	Net Input Energy (E-F-G)	MU	1,32,536	1,23,742
I	Energy sold	MU	1,09,605	1,06,653
J	Open Access Sale	MU	4,822	4,303
K	Total Energy Sold (H+I)	MU	1,14,427	110,956
	Distribution Loss	MU	18,109	17,219
	Distribution Loss (%)		13.66	13.92
L	Revenue from energy traded/inter-state sales (with respect to units of F above)	₹ Lakhs	39,732	17,624
M	Subsidy Booked/ Built in the Revenue	₹ Lakhs	10,34,557	7,61,591
N	Subsidy received	₹ Lakhs	11,66,207	8,74,363

While submitting petition for Tariff determination distribution loss is calculated excluding EHV (extra high voltages) sale and the Distribution loss comes to 14.69 % for FY 2018-19 and 14.82% for FY 2017-18.

20. Incentive Earned on REC repayment loan:

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 claim of interest subsidy for the FY 2014-15. REC vide letter dated 15.11.2018 informed that NEF Steering Committee has approved interest subsidy of 4% i.e. ₹ 2,935 lakhs under NEF for FY 2014-15 based on the evaluation carried out by the Independent Evaluator in accordance with NEF Guidelines. MSEDCL has reduced the interest cost to that extent so that the benefits can be passed on to the consumers.

21. Auditors' Remuneration:

(₹ in Lakhs)

Sr. No	Particulars	FY 2018-19	FY 2017-18
1.	Statutory Audit	81	81
2.	Reimbursement of Expenses	7	4
3.	GST on Audit Fees	15	15

22. Government grants and Consumers Contributions :

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	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
As at 1st April	419,092	366,320	291,713	283,779
Add: Received during the year	237,488	89,007	52,315	35,133
Less: Amortised to the statement of profit and loss	49,023	36,234	33,567	27,198
As at 31st March	**607,558**	**419,092**	**310,461**	**291,713**
Current	49,023	36,234	33,567	27,198
Non-current	558,535	382,858	276,894	264,515

23. 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) **Subsidiary of Fellow Subsidiaries**

- Dhopave Coastal Power Limited (DCPL)

e) **Key Management Persons (KMP):**

- Shri. Sanjeev Kumar, Chairman and Managing Director, MSEDCL (w.e.f. 21.12.2015)
- Shri. Sunil Pimpalkhute, Director (Finance), MSEDCL (up to 31.01.2018)
- Shri. Jaikumar Srinivasan, Director (Finance), MSEDCL (w.e.f. 02.02.2018)
- Shri. Abhijeet Deshpande Director (Operations) (w.e.f. 01.04.2017 to 25.05.2017, from 15.06.2017 to 31.07.2018)
- Shri Dinesh R. Saboo, Director (Project) (w.e.f 20.09.2016 to 31.10.2018)
- Shri Dinesh R. Saboo, Director (Operation) (w.e.f 01.11.2018)
- Shri Bhalchandra Khandait, Director (Project) (w.e.f 15.01.2019)
- Shri. Satish Chavan, Director (Commercial) (w.e.f. 22.01.2018)
- Shri. Arvind Haribhau Salve, Director (Vigilance & Security) (w.e.f. 01.04.2018 to 26.02.2019)
- Shri. Dattatraya T Shinde, Director (Vigilance & Security) (w.e.f. 01.03.2019)
- Mrs Anjali Gudekar Company Secretary, MSEDCL.

f) **Independent Directors :**

- Shri. Vishwas Pathak, Independent Director(from 14.08.2015)
- Shri. Ashok Harane, Independent Director (from 02.01.2009)
- Mrs.Juelee Wagh, Independent Director (from 04.06.2014)

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.	Particulars	Transactions during the year		Closing Balance	
		F.Y. 2018-19	F.Y. 2017-18	Ourstanding as on 31.03.2019	Outstanding as on 31.03.2018
1	**Transactions with key Management Personnel of MSEDCL**				
	Remuneration	246	122	-	-
	Transactions with Independent directors				
	Sittting Fees	3	3	-	-
2	**Transactions with Holding Company**				
	MSEBHCL - Inter Co. Adj. for Other Expenses	2,365	431	407,965	405,600
3	**Transactions with Fellow Subsidiaries:**				
	MSPGCL - Purchase of Power	(368,300)	636,606	1,084,338	1,452,638
	MSETCL - Transmission Charges	(11,528)	84,849	262,820	274,348
	MSPGCL - Inter Co. Adj. for Other Expenses	158	14	47,008	46,850
	MSETCL - Inter Co. Adj. for Other Expenses	(7)	(22,604)	1,572	1,579
	MPDCL	-	-	247	247
4	**Transactions with Subsidiaries of Fellow Subsidiaries:**				
	DCPL - Loans & Advances	-	-	207	207
5	**Amount recognise in P & L as allowance for Expected Credit Loss**				
	MSPGCL	2,547	3,325	12,209	9,662
	MSETCL	1,244	(2,944)	1,572	328

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 F.Y. 2018-19	F.Y. 2017-18
1	**Transactions with key Management Personnel of MSEDCL**			
	Shri Sanjeev Kumar	Remuneration	29	25
	Shri Sunil Laxman Pimpalkhute	Remuneration	-	13
	Shri Jaikumar Shrinivasan	Remuneration	34	5
	Shri. Arvind Haribhau Salve	Remuneration	20	-
	Shri Abhijit Jayant Deshpande	Remuneration	10	31
	Shri Dattatraya T Shinde	Remuneration	1	-
	Shri Dineshchandra Rambilas Saboo	Remuneration	32	26
	Shri Dineshchandra Rambilas Saboo	Retirement benefits	79	-
	Shri. Satish Vithalrao Chavan	Remuneration	18	3
	Shri Bhalchandra Khandait	Remuneration	4	-
	Mrs.Anjali Gudekar	Remuneration	19	18
	Total		**246**	**122**
	Shri Vishwas Pathak	Sittting Fees	1	1
	Shri Ashok Harane	Sittting Fees	1	1
	Mrs.Juelee Wagh	Sittting Fees	1	1
	Total		**3**	**3**
2	**Transactions with Holding Company**			
	MSEBHCL	Other Financial Liabilities - Current	2,365	(431)
3	**Transactions with Fellow Subsidiaries:**			
	MSPGCL	Purchase of Power	(368,300)	636,606
	MSETCL	Transmission Charges	(11,528)	84,849
	MSPGCL	LOANS - CURRENT	158	14
	MSETCL	Loans-Current (Unsecured, Considered good)	(7)	(22,604)
4	**Transactions with Subsidiaries of Fellow Subsidiaries:**			
	MSPGCL	Amount recognized in P & L as allowance for Expected Credit Loss	2,547	3,325
	MSETCL	Amount recognized in P & L as allowance for Expected Credit Loss	1,244	(2,944)

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 O/S as on 31.03.2019	O/S as on 31.03.2018
1	**Balances with Holding Company**			
	MSEBHCL	OTHER FINANCIAL LIABILITIES - CURRENT	407,965	405,600
2	**Balances with Fellow Subsidiaries:**			
	MSPGCL	Trade Payble - Purchase of Power	1,084,338	1,452,638
	MSETCL	Trade Payble - Transmission Charges	262,820	274,348
	MSPGCL	Loans-Current	47,008	46,850
	MSETCL	Loans-Current	1,572	1,579
	MSPGCL	Allowance for Expected Credit Loss	12,209	9,662
	MSETCL	Provision for bad and doubtful Other Receivable	1,572	328
3	**Balances with Subsidiaries of Fellow Subsidiaries:**			
	DCPL	Loans-Non Current (Unsecured, Considered doubtful)	207	207
	MPDCL	Loans-Non Current (Unsecured, Considered doubtful)	247	247
	DCPL	Provision for bad and doubtful Other Receivable	207	207
	MPDCL	Provision for bad and doubtful Other Receivable	247	247

h) **Difference between balances of the MSEDCL and Related Parties :**

There is a difference in outstanding balances as on 31.03.2019, 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 Power Transmission Co Ltd. (MSETCL)		Maharashtra State Electricity Board Holding Co Ltd. (MSEBHCL)	
Nature Of transaction	Loans and Advances		Loans and Advances		Other Current Liabilities	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Balance as per MSEDCL	47,008	46,850	1,572	1,579	4,07,965	4,05,600
Balance as per other Group Company	47,008	46,951	0.00	0.00	3,87,264	3,85,208
Difference	0.00	101	1,572	1,579	20,701	20,392

i) **Amount Payable to/Receivable from Government of Maharashtra :**

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Inspection Fees Payable	498	498
2	Electricity Duty Payable	93,795	4,30,344
3	Tax on Sale - Payable	18,886	12,628
4	Subsidy Receivable	78,604	2,10,254
5.	Grant Receivable	92,703	2,167
6.	Equity Share Capital	47,61,432	47,24,525
7.	RGGVY Loan	6,407	6,073

24. Refund of 'Service Line Charges' (SLC) :

MSEDCL had recovered the service line charges 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.

25. Ujjwal Discom Assurance Yojana (UDAY) :

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		
20-21	20% of debt taken Over		99,200		
	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 to GoM, on the loan of GoMat the rate at which it 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.

The 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 previous year loss

26. DDUGJY, IPDS & Smart Grid :

Government of India has launched Deendayal Upadhyaya Gram Jyoti Yojna (DDUGJY) for the rural areas for separation of agriculture & non agriculture feeders, strengthening & augmentation of sub transmission & distribution infrastructure& rural electrification. The earlier program of Rajiv Gandhi Grameen Vidyuti karan Yojna (RGGVY) is subsumed in this Scheme. Rural Electrification Corporation (REC) is the Nodal Agency.

The "Integrated Power Development Scheme" (IPDS) was launched by Ministry of Power, Government of India with the objectives of strengthening of sub-transmission and distribution network in the urban areas & metering of distribution transformers /feeders / consumers in the urban areas. The Scheme will help in reduction in Aggregate Technical & Commercial Losses (AT & C Losses); establishment of IT enabled energy accounting / auditing system, improvement in billed energy based on metered consumption and improvement in collection efficiency. Power Finance Corporation (PFC) is Nodal Agency.

Smart Grid, is a new and evolving concept for deployment of Smart Meters and Automatic Meter reading Instruments (AMI) & technical up gradation with deployment of Gas Insulated Sub-stations (GIS) wherever economically feasible. It also covers development of medium sized micro grids up to 1 MW & development of distributed generation in form of Roof Top PVs. It facilitates a Real time monitoring and control of Distribution Transformers, Provision of Harmonic Filters and other power quality improvement measures.

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 and fixed deposit amount as on 31.03.2019 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

The details of Grant received utilised, balance to be utilized and fixed deposit amount as on 31.03.2018 are as under:

(₹ in Lakhs)

Particulars	DDUGJY & Saubhagya Scheme	IPDS	Smart Grid	Total
Opening Balance	24,797	16,360	0	41,157
Grant Received	13,903	17,411	270	31,584
Interest Received	851	794	9	1,654
Grant Utilized	19,507	20,382	0	39,889
Interest Paid to MoP	726	629	0	1,355
Balance to be Utilized	19,318	13,554	279	33,151
FD Amount (Canara Bank)	19,318	13,554	279	33,151

27. <u>Conversion of Loan into Grant under RAPDRP Scheme (Part 'A' and Part 'B') :</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.

Final RAPDRP Closure amounting to ₹ 22,648 Lakhs has been approved by PFC/MOP. The conversion of Loan amount into grant is approved in 13th Monitoring Committee Meeting Dt. 18.10.2018. The eligible amount of ₹ 8,670 Lakhs under R-APDRP Part A SCADA is expected to be converted into grant after acceptance of the reports submitted to Third Party independent Agency appointed by PFC.

RAPDRP Part B

RAPDRP Part B is implemented in 123 towns (120 Part Band 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	2,23,476
Eligible amount for conversion into grant	i.e. 50 % of the Project Cost in proportion to the reduction in the AT&C losses

28. Recovery towards Infra Charges :

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 & MSEDCL has paid ₹ 2,205 Lakhs towards its 50% share of 19 on going works. NMC has been requested through various communications to complete the balance work, latest communication was on 29th June 2018.

Further MSEDCL is recovering additional 6 paise per unit w.e.f. Feb 19 to Jan 20 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.

29. Contribution to Contingency Reserve :

As per MYT Regulation No 34.1, MSEDCL is required to make contribution to the Contingency Reserve, a sum not less than 0.25 per cent of the original cost of fixed assets annually. 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 ₹ 95,700 lakhs (including ₹ 14,300 lakhs during the current year). Out of this ₹ 57,700 lakhs (P.Y. ₹ 57,700 lakhs) is included under Other Equity (Note 17) and ₹ 38,000 lakhs (P.Y. ₹ 23,700 lakhs) is included under Other Current Liabilities (Note 26). MSEDCL has invested ₹ 18,573 lakhs up to March 2019 (P.Y. ₹ 18,522 lakhs) in the permitted securities.

30. Refund of Regulatory Liability Charges:

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 subsequently refunded ₹ 3, 12,217 Lakhs upto 31.03.2019 (P.Y. ₹ 3,12,050 lakhs). No provision has been made for the balance amount as in the opinion of the management, no further amount is payable.

31. Capital Management:

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 31.03.2019	As at 31.03.2018
(a) Debt	2,863,401	2,178,213
(b) Total Equity	2,180,707	2,059,227
Gearing Ratio (a/b)	1.31	1.06

32. Significant Events After The Reporting Period:

A. Revision in Pay scale & Allowances of Employees

The pay and allowances of MSEDCL's employees are being revised after every five years. The last pay revision was for period from 01st Apr 2013 to 31st Mar 2018. The Company has revised the pay scales and allowances of its employees in the board meeting held on 11th Sep 2019, which is effective from 1st Apr 2018. 32.5% rise in the old basic i.e. before merging 125% DA and 100% rise in allowances has been granted which aggregates to ₹ 58,212 lakhs. Accordingly, the provision for pay fixation including terminal benefits has been made in FY 2018-19.

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, due to non-payment of outstanding dues of ₹ 16,431 Lakhs as on 08th Jul 2019, exceeding the available Stand by Letter of Credit of ₹ 10,000 Lakhs, MSEDCL issued a Critical Event of Default Notice on 10th Jul 2019 as per Article No. 16.3.1 of Distribution Franchisee Agreement (DFA). Now, SND Ltd vide letter dated 12th Aug 2019 has informed about precarious financial position of the company and its inability to continue the DF operations in Nagpur area and requested MSEDCL to arrange for step in and take over the operations of Nagpur DF. The Board in the meeting held on 11th Sep 2019, has accorded approval to terminate the DFA by issuing take over notice to SND Ltd. The termination account of SND Ltd will be finalised as per the provisions of DFA after termination of the agreement. No effect to the said termination has been given in the financial statements as at 31st March 2019. The amount receivable from SND Ltd as on 31st March, 2019 is ₹ 11,435 lakhs and the Bank Guarantees of ₹ 10,000 lakhs are encashed during September 2019.

33. Statement of Net Assets and Profit and Loss attributable to Owners and Non-Controlling Interests

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 Total 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)	100.03	2181183	100.00	8559560	100.00	109663	100.00	(25089)	100.00	84574
APCL (Subsidiary Company)	(0.03)	(619)	0.00	1	0.00	0	0.00	0	0.00	0
			**		**	*			**	*
Non Controlling Interest	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Total	100.00	2180564	100.00	8559561	100.00	109663	100.00	(25089)	100.00	84574

* Less than ₹ 100000

** Less than 0.01%

Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests For FY 2017-18										
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 Total 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)	100.03	2059703	100.00	6529168	101.29	49224	100.00	(5020)	100.00	44204
APCL (Subsidiary Company)	(0.03)	(618.62)	0.00	1	(1.29)	(625)	0.00	0	0.00	-625
			**		**	*			**	*
Non Controlling Interest	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Total	100.00	2059084	100.00	6529169	100.00	48599	100.00	(5020)	100.00	43579

* Less than ₹ 100000

** Less than 0.01%

34. Disclosure as per Ind AS 115, "Revenue from contracts with customers"

Ind AS 115 supersedes Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations and it 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.

The Company has applied Ind AS 115 using the cumulative effect method. Under this method, the comparative information is not restated.

Disaggregation of revenue

(₹ in Lakhs)

Particulars	For the year ended	
	31 March 2019	31 March 2018
Sale of Energy transferred over time	72,74,894	60,85,245

Reconciliation of revenue recognized with contract price:

(₹ in Lakhs)

Particulars	For the year ended	
	31 March 2019	31 March 2018
Revenue from Contract with consumers	73,03,632	61,09,485
Adjustments for:		
Prompt Payment Discount	28,738	24,240
Revenue recognized	72,74,894	60,85,245

Contract balance

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, unbilled revenue and advances from customers

(₹ in Lakhs)

Particulars	As at 31 March 2019		As at 1 April 2018	
	Current	Noncurrent	Current	Noncurrent
Trade receivables	34,57,590	-	32,77,524	-
Unbilled revenue	2,19,613	-	1,05,169	-

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.

On account of adoption of Ind AS 115

, no cumulative adjustment was required as at 1st April 2018. Further, no financial statements line items are affected in current year as a result of applying Ind AS 11 and Ind AS 18.

35. Prior Period Items & Changes in Accounting Estimates :

(A) Under Ind AS 8' Accounting Policies, Changes in Accounting Estimates and Errors' material prior period errors shall be corrected by retrospective effect. MSEDCL has not income / expenditure (Net) pertaining to previous year, more than the threshold limit.

(B) In accordance with Ind AS 8' Accounting Policies, Changes in Accounting Estimates and Errors', the company has prospectively stated its Balance Sheet as at 31st March 2019 and Statement of Profit and loss and Statement of Cash flow for the year ended 31st March 2019 for the change in estimates as stated below;

1. MSEDCL has made provision for DPS payable to MSPGCL & MSETCL up to March 2018 in FY 2017-18 by apportionment of payment to interest first and principal later. During FY 2018-19 MSEDCL has made provision for DPS payable by apportionment of the payment to the principal first and interest later. Accordingly DPS amount as per MSEDCL's calculations has been accounted for in FY 2018-19 and the excess DPS of ₹ 3,24,140 lakhs in case of MSPGCL and ₹ 53,491 lakhs of MSETCL have been withdrawn in FY 2018-19. If DPS had been accounted for as per MSPGCL's and MSETCL's calculation, profit for F.Y. 2018-19 would have been reduced by ₹1,60,184 lakhs and ₹ 9,852 lakhs respectively. Trade payables would have been increased by ₹ 1,70,036 lakhs. The effect of change in accounting estimates in future period is impracticable.

2. The pay and allowances of MSEDCL's employees are being revised after every five years. As a result the actuarial assumptions related to salary escalations for the purpose of gratuity and leave encashment, have been revised as under:

Particulars	As at 31st march 2019	As at 31st march 2018
Salary increase Rate	1st Year - 32.50% and thereafter 3% (with 18% increase in every 5th year)	7%

If gratuity and leave encashment had been accounted for as per salary escalation considered till last year, profit for F.Y. 2018-19 would have been reduced by ₹ 42,455 lakhs and ₹ 36,136 lakhs respectively. The effect of change in accounting estimates in future period is impracticable.

36. 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, Statement of Profit and Loss, the details of which are as under:

Reclassification of Balance sheet as at 31st Mar 2018

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Reported Amount as at 1st April 2018	Reclassification	After Reclassification
1	**NON CURRENT - LOAN**	5	1,259		0
	(-) Maharashtra State Transmission Co. Ltd.			1,579	
	(+) Allowances for Doubtful Advances			328	
	(-) House Building advance to staff			8	
2	**OTHER FINANCIAL ASSETS**	6	70,751		67,694
	(-)Receivable from GoM-Loan to GoM from RE			3,057	
3	**TRADE RECEIVABLES**	11	3,862,446		2,842,911
	(+) Allowance for Expected Credit Loss			453,570	
	(-) Subsidy & Grant Receivable			2,167	
	(-) Interest on Trade Receivables			1,470,625	
	(+) Payable to Distribution Franchisee for Collection			313	
4	**CURRENT - LOAN**	13	37,187		38,439
	(+) Maharashtra State Transmission Co. Ltd.			1,579	
	(-) Allowances for Doubtful Advances			328	
5	**OTHER FINANCIAL ASSETS - CURRENT**	14	126,071		732,146
	(+) Interest on Trade Receivables			1,470,625	
	(-) Allowance for Expected Credit Loss (refer Note no. 36(6			453,570	
	(-) Deferred Interest (refer Note no. 2(6)(a)(v))			413,155	
	(+) Subsidy & Grant Receivable			2,167	
	(+) HBA			8	
6	**BORROWINGS - NON CURRENT**	18	1,768,104		1,570,189
	(-)Government of Maharashtra Loan for Uday Yojana			198,400	
	(+) Maharashtra State Power Generation Co Limited			485	
7	**OTHER FINANCIAL LIABILITIES-NON CURRENT**	19	706,712		720,518
	(-) Security Deposit Payable to Consumers			500	
	(-) Receivable from GoM-Loan to GoM from REC for RGGVY			3,057	
	(+) Refund of amount of Non-DDF Scheme			7,688	
	(+) Deposit from Staff Welfare Fund			8,555	
	(+) Net Amount of LEC/LMR kept as per orders of MERC			2,430	
	(-) Maharashtra State Power Generation Co Limited			485	
	(-)Deposit Cons-Advance payment against en			826	
8	**OTHER NON-CURRENT LIABILITIES-NON CURRENT**	21	642,536		845,773
	(+)Government of Maharashtra Loan for Uday Yojana			198,400	
	(+) Non Current Grant & Consumer Contribution			4,837	
9	**TRADE PAYABLES - CURRENT**	23	3,029,078		2,303,324
	(-) Interest on Trade Payable for purchase of Power			424,420	
	(-) Interest on Trade Payable for Transmission Charges			79,524	
	(-) Liability for Renewable Power Obligation Fund			104,890	
	(-) Provision for Expenses O&M			15,277	
	(-) Provision for Expenses Capital			424	
	(-) Provn for liability for expenses Incurr			3,562	
	(-) Liability for expenses			99,976	
	(+) 1% Insurance Recovered from vendor			16	
	(+) Payable to Solar Vendor			2,303	
10	**OTHER FINANCIAL LIABILITIES - CURRENT**	24	1,977,254		2,362,630
	(+) Interest on Trade Payable for purchase of Power			424,420	
	(+) Interest on Trade Payable for Transmission Charges			79,524	
	(+) Interest on unutilized subsidy for DDUG			81	
	(+) Int on unutilized subsidy for IPDS-paya			303	
	(+) Interest on unutilized subsidy for DDUG			294	
	(+) Interest on Received on unutilized subs			32	
	(+) Interest on unutilized subsidy for IPDS			21	
	(+) Interest on unutilized subsidy for DDUG			28	
	(-) Current Maturity of Uday Loan [refer Note no.36 [26]]			99,200	
	(+) Security Deposit Payable to Consumers			500	
	(-) Net Amount of LEC/LMR kept as per orders of MERC			2,430	
	(-) Deposit from Staff Welfare Fund			8,555	
	(-) Refund of amount of Non-DDF Scheme			7,688	
	(-) Payable to Distribution Franchisee			313	
	(-) Payable to Solar Vendor			2,303	
	(+) Deposit Cons-Advance payment against energy bill			826	
11	**Provision (Current)**	25	59,400		283,529
	(+) Provision for Expenses O&M			15,277	
	(+) Provision for Expenses Capital			424	
	(+) Provn for liability for expenses Incurr			3,562	
	(+) Liability for expenses			99,976	
	(+) Liability for Renewable Power Obligation Fund			104,890	
12	**OTHER CURRENT LIABILITIES**	26	523,671		204,267
	(-) Deferred Interest [refer Note no. 36(12)]			413,155	
	(-) 1% Insurance Recovered from vendor			16	
	(+) Current Maturity of Uday Loan			99,200	
	(-) Non Current Grant & Consumer Contribution			4,837	
	(-) Interest on unutilized subsidy for DDUG			81	
	(-) Int on unutilized subsidy for IPDS-paya			303	
	(-) Interest on unutilized subsidy for DDUG			294	
	(-) Interest on Received on unutilized subs			32	
	(-) Interest on unutilized subsidy for IPDS			21	
	(-) Interest on unutilized subsidy for DDUG			28	

Reclassification of Profit & Loss for FY 2017-2018					
					(₹ in Lakhs)
Sr. No.	Particulars	Note No.	Reported Amount as at 1st April 2018	Reclassification	After Reclassification
1	**Revenue from Operations**	27	6,631,183		6,130,666
	(+) Electricity Charges			4,336	
	(-) Regulatory Income			455,503	
	(-)Revenue from subsidy & grant			40,679	
2	**Other Income**	28	359,295		398,502
	(+)Revenue from subsidy & grant			40,679	
	(-) Promt payment discount from REC/PFC for			1,472	
3	**Employee Benefits Expenses**	30	410,728		410,725
	(-) Director sitting fess			3	
4	**Admin and General Exp**	32	69,677		65,343
	(-) Electricity Charges			4,336	
	(+) Director sitting fess			3	
5	**Finance Expenses**	33	596,677		595,205
	(+) Prompt payment discount from REC/PFC for			1,472	

37. Standards/ amendments issued but not yet effective

On 30th March 2019, Ministry of Corporate Affairs (MCA) has notified the following

Standards/ amendments which will come into force from 1st April 2019:

1. Ind AS 116 'Leases'

Ind AS 116 'Leases' will replace the existing Ind As 17, 'Leases', and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single onbalance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ins AS 17.

2. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

Appendix C of Ind AS 12, 'Uncertainty over Income Tax Treatments' is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filling which has to be considered to compute the most likely amount or the expected value of tax treatment when determining taxable profit (tax loss), tax bases, unused tax loses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of Initially applying Appendix C recognized by adjusting equity on initial application

3. Amendment to Ind AS 12 'Income taxes'

The amendments to the guidance in Ind AS 12, 'Income taxes', clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized.

4. Amendment to Ind AS 19 'Employee benefits'

The amendments to the guidance in In AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

5. Amendment to Ind AS 23 'Borrowing Costs'

The amendments to the guidance in Ind AS 23, 'Borrowing Costs', clarify the following:

- While computing the capitalization rate for funds borrowed generally, borrowing costs applicable to borrowings made specifically for obtaining a qualified asset should be excluded, only until the asset is ready for its intended use or sale.

- Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for its intended use or sale would subsequently be considered as part of the general borrowing costs.

6. Amendment to Ind AS 28 'Investments in Associates and joint ventures'

The amendments to the guidance in Ind AS 28, 'Investments in Associates and joint ventures', clarifies that an entity applies Ind As 109, 'Financial Instruments', to longterm interests in an associates or joint venture that form part of net investment in the associate or joint venture but to which the equity method in not applied.

7. Amendment to Ind AS 103 'Business Combinations'

The amendment to Ind AS 103 'Business Combinations', clarifies that when an entity obtains control of a business that is joint operation, then the acquirer considers such an acquisition as a business combination achieved in stages and remeasures previously held interests in that business.

8. Amendment to Ind AS 111 'Joint Arrangements'

The amendment to Ind AS 111 'Joint Arrangements', clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

9. Amendment to Ind AS 109 'Financial Instruments'

The amendments relate to the existing requirements in Ind AS 109, 'Financial Instruments' regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Company is evaluating the requirements of the above amendments and its impact on the financial statements.

38. The previous year figures have been regrouped and/or rearranged whenever necessary. Comparative figures are provided except wherever not possible.

As per our Report of even date

for and on behalf of the Board

For SGCO & Co.LLP
Chartered Accountants
(FRN : 112081W/W100184)

(CA Amit Hundia)
Partner
(ICAI M.No120761)

Jaikumar Srinivasan
Director (Finance)
DIN No. 01220828

Sanjeev Kumar
Chairman and Managing Director
DIN No. 01866640

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

(CA Diwakar Sapre)
Partner
(ICAI M.No. 040740)

Swati Vyavahare
Executive Director (F & A)

Anjali Gudekar
Company Secretary
M.No. ACS19937

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

(CA Ramesh Pipalawa)
Partner
(ICAI M.No.103840)

Neeta Vernekar
Chief General Manager(CA)
(in charge)

Place : Mumbai
Date : 25.10.2019

Place : Mumbai
Date : 25.10.2019

FORM AOC I

Part A Subsidiaries

Statement containing salient features of Financial Statemement of Subsidiary Company

		(₹ in Lakhs)
Name of the subsidiary	**Aurangabad Power Co. Ltd**	**Aurangabad Power Co. Ltd**
Financial Year	2018-19	2017-18
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	The reporting period of the subsidiary is similar as of holding company
Reporting currency and Exhange rate as on the last date of relevent financial year in the case of foreign subsidieries	NA	NA
Share Capital	5.00	5.00
Reserve and surplus	(623.76)	(623.62)
Total Assets	10.70	9.86
Total Liabilities	629.47	628.48
Investments	NIL	NIL
Turnover	0.66	0.74
Profit before taxation	(0.23)	(625.43)
Provision for taxation	0.08	0.00
Proposed Dividend	0.00	0.00
% of share holding	100%	100%
Name of subsidiaries which are yet to commence operation	Aurangabad Power Co. Ltd	Aurangabad Power Co. Ltd

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