MAHATRANSCO

Maharashtra State Electricity Transmission Co. Ltd.

(CIN No. U40109MH2005SGC153646)

GST No. 27AAECM2936N1Z2

17th ANNUAL REPORT
F. Y. 2021 - 2022

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MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

17th Annual Report for the period of 2021-2022

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MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

17th Annual Report for the period of 2021-2022

CORPORATE DETAILS

BOARD OF DIRECTORS*

S.No.	NAME OF THE DIRECTOR'S	DESIGNATION
1.	Shri. Dinesh T. Waghmare, IAS	Chairman & Managing Director
2.	Smt. Abha Shukla, IAS	Nominee Director
3.	Shri. Ashok Phalnikar	Director (Finance)
4.	Shri. Quadri Nasir Syed Mazhar	Director (Projects)
5.	Shri. Sugat Gamare	Director (Human Resources)
6.	Smt. Trupti Nitin Mudholkar	Director
7.	Shri. Vishwas V. Pathak	Independent Director

COMPANY SECRETARY	STATUTORY AUDITORS
Smt. Vineeta Shriwani	M/s KKC & Associates LLP Chartered Accountants

REGISTERED OFFICE

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

**As on 29.12.2022*

DIRECTORS BRIEF PROFILE

Shri. Dinesh T. Waghmare - IAS
Chairman and Managing Director

Shri. Dinesh Waghmare (IAS) is a senior IAS officer of 1994 batch. He was holding the post of Principal Secretary (Energy), Government of Maharashtra since 29.01.2021 and was holding the additional charge of Chairman and Managing Director of Maharashtra State Electricity Transmission Co. Ltd. (MSETCL). In the capacity of PS (Energy) he was also acting as Managing Director, MSEB Holding Company Limited. Prior to this he took charge of CMD, MSETCL from Shri. Parrag Jaiin Nainutia, IAS since 23.01.2020. Prior to joining of MSETCL, Shri. Waghmare was posted as Principal Secretary, Social Justice and Special Assistance Department, Government of Maharashtra. He is now appointed as Chairman & Managing Director of MSETCL w.e.f . 04.11.2022.

Shri. Waghmare is B.E. (Electronics) from Visvesvaraya National Institute of Technology, (VNIT) Nagpur and M. Tech from IIT Kharagpur in Computer Science. He has also done M.Sc. in Development & Project Planning, Bradford University, England, UK. He possesses more than 27 years of experience in responsible roles in spheres of Management and Administration. He brings in rich expertise in team, project leadership, administration and management.

Smt. Abha Shukla, IAS
Nominee Director

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

Shri. Ashok Phalnikar
Director (Finance)

Shri. Ashok A. Phalnikar has joined as Director (Finance) in Maharashtra State Electricity Transmission Company Limited (MSETCL) on 05.10.2020. He is from director cadre of Finance and Audit Services of Government of Maharashtra. Prior to joining at MSETCL, he worked as Financial Advisor and Chief Account Officer at Maharashtra State Road Transport Corporation, Mumbai. Before that, he has served in various distinguished offices including Hon'ble Bombay High Court, Mumbai, Hon'ble Chief Minister's Office and University of Mumbai, etc.

Shri. Phalnikar has done Masters in Commerce from Mumbai University. He has worked at various Government and Semi-Government Institutions as Financial Advisor and Account Officer. Shri. Phalnikar has more than 25 years of work experience of key posts of Finance and Audit functions. His experience will be beneficial to MSETCL. On behalf of MSETCL we wish him good wishes for his future endeavors.

Shri. Quadri Nasir Syed Mazhar
Director (Projects)

Shri. Quadri Nasir Syed Mazhar has joined as Director (Projects) in Maharashtra State Electricity Transmission Company Limited (MSETCL) on 05.10.2021.

Shri. Quadri is a Gold Medalist from Govt. College of Engineering, Aurangabad, Dr. Babasaheb Marathwada University in Electrical Engineering in 1991.

1992-1994 he worked as lecturer in MIT Engineering College, Aurangabad during 1992-1994. Thereafter, he started his career as Junior Engineer, in erstwhile MSEB in 1994.

He was appointed as Executive Engineer under direct recruitment drive in the 2006 and has worked in different locations and handled various operational activities of MSETCL.

While working as EE Project Dn, Aurangabad, he was awarded with 1st Rank in Maharashtra towards completion of highest no. of EHV SS & Lines in a FY 2009-10.

In Jul-2012 he got promoted as Superintending Engineering (Trans) under direct recruitment drive and joined at Design & Engineering Department, CO, Mumbai.

He worked at the level of SE in different departments of MSETCL till September 2019 and thereafter was promoted as Chief Engineer and worked as CE EHV PC O&M Zone, Vashi.

He led the teams which got prestigious SKOCH GOLD AWARD-2018 for Digital Substation at Kekatnimbhora and SKOCH Gold Award-2020 for MTCIL OPGW works. He was part of team that visited Goldman School of Public Policy at University of California, Berkely, USA for 'Maharashtra: Powering towards a sustainable future University of Berkely, California towards'

Shri. Sugat Gamare
Director (Human Resource)

Shri. Sugat Gamare has joined as Director (Human Resources) in Maharashtra State Electricity Transmission Company Limited (MSETCL) on 10.01.2022.

Shri. Gamare is appointed as Director, Human Resources in MSETCL w.e.f. 10.01.2022. Prior to joining as Director (Human Resources), he was working as Chief General Manager (Human Resources) since 03.08.2016. He was holding additional charge of the post of Executive Director (Human Resources) since 03.01.2018.

Shri. Gamare has done Post Graduation in Personnel Management & Industrial Relations from Tata Institute of Social & Science (TISS) in the year 1996 and possesses 25 years of experience. Prior to MSETCL, he worked with Mukund Ltd., University of Mumbai, National Bank of Agricultural & Rural Development (NABARD), Videsh Sanchar Nigam Limited (VSNL) & Gharda Chemicals. Shri. Gamare possesses rich experience in shaping Human Resources Policies, Administration, Learning & Development, Organization Development and Change Management (ODCM) and Management.

Smt. Trupti Nitin Mudholkar
Director

Smt. Trupti N. Mudholkar has joined as Director in the capacity of Finance expert in Maharashtra State Electricity Transmission Company Limited (MSETCL) w. e. f. 22.01.2021.

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

Shri. Vishwas Pathak
Independent Director

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

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

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

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

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MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

DIRECTORS' REPORT
F. Y. 2021 - 2022

Contents of Directors' Report for F.Y. 2021-2022

MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

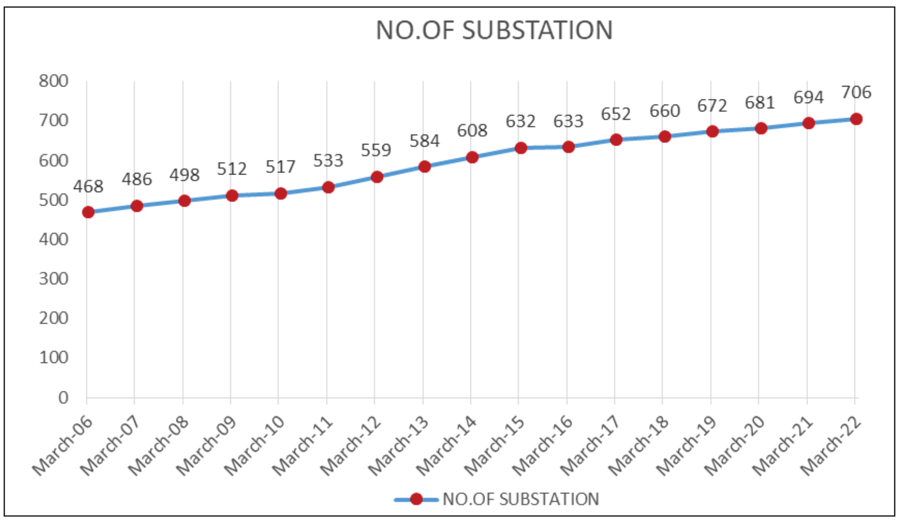
Directors' Report

To,
The Members,
We are delighted to present the report on our business and operations for the Financial Year ended March 31, 2022.

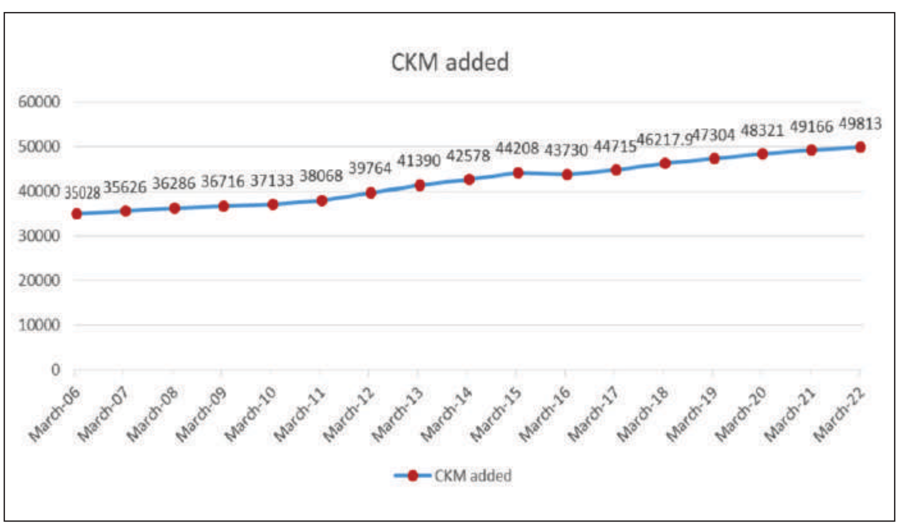
I. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

(A) Overview of Journey from formation of Company till March 2022

We have built and own 706 number of substation as on 31st March 2022 in comparison to 468 Nos of substations in March, 2006 showing a compounded annual growth rate (CAGR) of 2.6 %. Each new substation is being added not only to cater the demand but to give reliable & quality power on 24 x 7 basis along with stability of network as well as reducing the losses. With the addition of each new substation, one can understand the growth of transmission utility commensurate with additional generation capacity matching with demand and requirements of the transmission system.



Similarly we own a vast network of EHV transmission lines ranging from 66kV to 400kV & 500 kV HVDC. As on March- 2006, we had 35028 Ckm of transmission lines, which is expanded to 49813 Ckm as on 31st March 2022, with CAGR of 2.23 %.



The voltage levelwise growth from 2005-2006 till March 2022 is as under:

Sr. No.	Voltage Class	Substations as on (Nos.)		EHV network as on (Ckm)	
		March-2006	March-2022	March-2006	March-2022
1	500 kV HVDC	2	2	1504	1504
2	765 kV	0	1	0	0
3	400 kV	17	32	6375.74	8440
4	220 kV	134	241	11478.28	18973
5	132 kV	217	346	10084.61	17832
6	110 kV	31	38	1637	1764
7	100 kV	25	39	678	705
8	66 kV	42	7	3270	595
	TOTAL	**468**	**706**	**35027.61**	**49813**

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

Present transmission network and related data (as on 31.03.2022)

Sr. No.	Voltage Class	EHV Substations (Nos.)	Transformation Capacity(MVA)	Transmission Lines (Ckm)
1	500 kV HVDC	2	3582	1504
2	765 kV	1	3000	0
3	400 kV	32	32733	8440
4	220 kV	241	58240	18973
5	132 kV	346	30554.5	17832
6	110 kV	38	2480	1764
7	100 kV	39	2823	705
8	66 kV	7	170.5	595
	TOTAL	**706**	**133583**	**49813**

Achievement against planned for the year 2021-22

Sr. No.	Voltage Class	Substations (Nos.)			Transmission Lines (Ckm)	
		Planned	Actual	MVA	Planned	Actual
1	500 kV HVDC	0	0	0	0	0
2	765 kV	0	0	0	0	0
3	400 kV	1	1	1188	26.47	24.8
4	220 kV	4	3	1025	346.25	209.08
5	132 kV	4	6	700	225.14	411.55
6	110 kV	0	1	25	0	0.12
7	100 kV	0	1	0	0	1.22
8	66 kV	0	0	0	0	0
	TOTAL	**9**	**12**	**2938**	**597.87**	**646.77**

- This shows that we have achieved an incremental growth rate in adding number of substations as well as Ckm of transmission lines.
- Against the targets of 09 Nos. of various voltage level substations, the actual achievement is 12 nos. which is 133.33%.
- Against the targets of 597.87 Ckm of various voltage level lines, the actual achievement is 646.77 Ckm, which is 108.17%
- The EHV new substations commissioned during year 2021-22: List attached as ANNEXURE 'A'.
- The EHV transmission lines commissioned during year 2021-22: List attached as ANNEXURE 'B'.

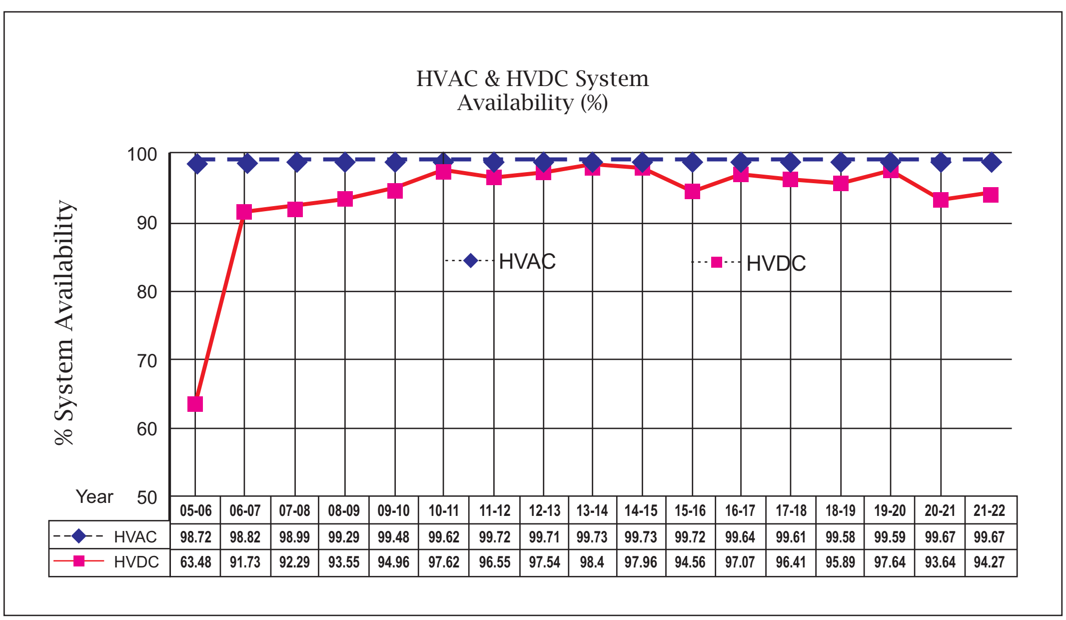
Comparison of last five years							
Sr. No.	**Particulars**	**2017-18 (Actual)**	**2018-19 (Actual)**	**2019-20 (Actual)**	**2020-21 (Actual)**	**2021-22 (Actual)**	**Total**
1	New Substations	12	12	9	13	12	58
	A. MVA addition due to New substations	1250	775	200	475	1502	4202
	B. MVA addition due to Additional transformers	3575	3050	775	740	775	8915
	C. MVA addition due to Replacement of transformers	535	343.5	0	440	661	1979.5
	Total MVA addition	5360	4168.5	975	1655	2938	15096.5
2	EHV lines (Ckm)	1600.15	1086.2	1016.92	845.426	646.803	5195.499
3	Capital Expenditure (Rs. in Crores)	1025.21	1388	1499	1603	1250 (Provisional)	6765.21

Future Road Map
The state has very high growth rate of development and power being vital engine for accelerating the growth, MSETCL has planned to construct 08 Nos of new substations and 900.54 CkM of transmission lines for the period 2022-23, the voltage level-wise targets are tabulated below:

Sr. No.	Voltage Class	Substations(Nos.)	Tr. lines (CkM)
1	765 kV	0	0
2	400 kV	0	0
3	220 kV	5	584.74
4	132 kV	3	315.80
5	110 kV	0	0
6	100 kV	0	0
7	66 kV	0	0
	Total	**8**	**900.54**

(B) Transmission Licensee

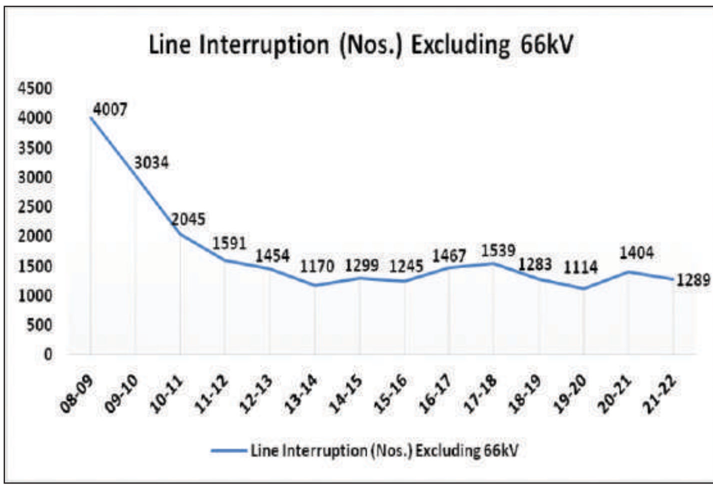
(1) HVAC and HVDC System availability from 2005-06 to 2021-22

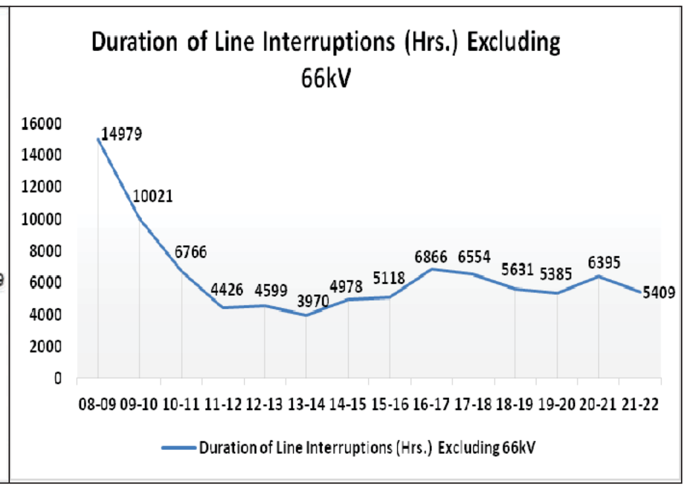


HVAC (High Voltage Alternate Current System) & HVDC (High Voltage Direct Current System) Availability Achievement from FY 2005-06 to 2021-22

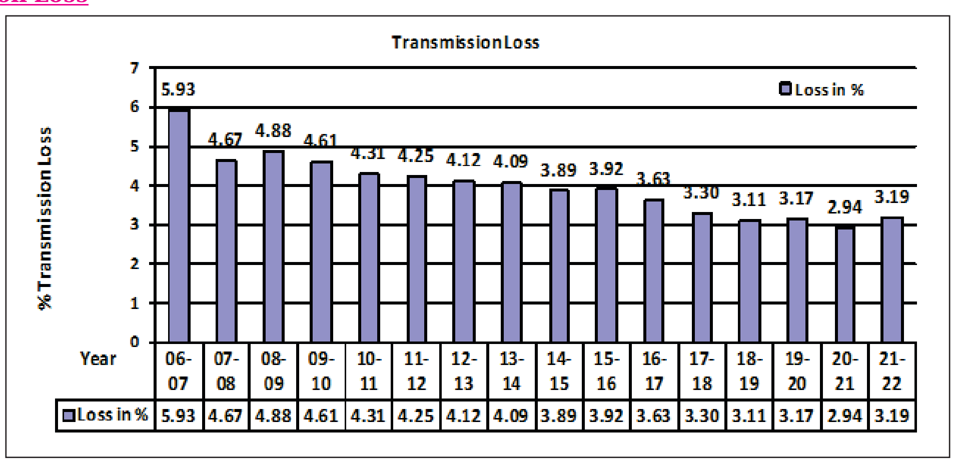
F.Y.	HVAC	HVDC
2005-06	98.72%	63.48%
2006-07	98.82%	91.73%
2007-08	98.99%	92.29%
2008-09	99.29%	93.55%
2009-10	99.48%	94.96%
2010-11	99.62%	97.62%
2011-12	99.72%	96.55%
2012-13	99.71%	97.54%
2013-14	99.72%	98.40%
2014-15	99.73%	97.96%
2015-16	99.72%	94.56%
2016-17	99.64%	97.07%
2017-18	99.61%	96.41%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

(B) (1) (a) Year wise EHV Lines Interruptions (Numbers & Duration)





(B) (2) Transmission Loss



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

The Transmission loss of 3.19% in the year 2021-22 and it is one of the best among utilities across the country.

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

(As on 31/03/2022)

Voltage level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
765 kV	1	3000	0
500 kV HVDC	2	3582	1504
400 kV	32	32733	8440.29
220 kV	241	58240	18972.51
132 kV	346	30554.5	17831.88
110 kV	38	2480	1764.08
100 kV	39	2823	705.62
66 kV	7	170.5	594.8
Total	**706**	**133583**	**49813.201**

Present Transmission System Availability as against MERC benchmark

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

(B) (4) Challenges before Transmission Licensee

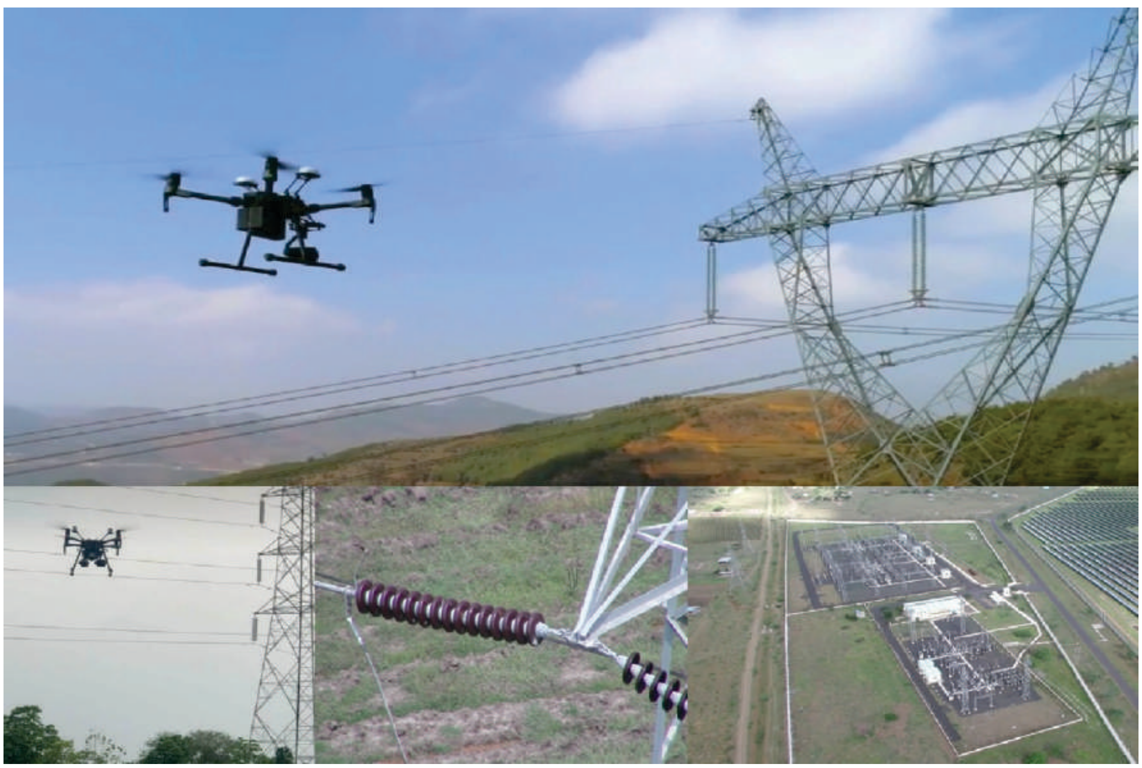
1) **Transmission System Availability:** To maintain & improve further the HVAC & HVDC System Availability.
2) **Transmission Losses:** Reduction in Transmission Losses.
3) **In time Project Completion:** To complete the projects to avoid Time & Cost overrun.
4) **Cyber Security:** To improve the system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

(B) (5) Adoption of Innovative Ideas & New Technologies:

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

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

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



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

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

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

3) **Hot-Line Washing:**
Various EHV lines of MSETCL pass through the industrial and foggy area which causes more number of trippings on these lines. To reduce these trippings, the Hot Line Units have to carry out the activity of Hot line washing on these lines regularly. MSETCL has procured two numbers of Hot-Line washing equipments one for each Karad & Nashik zones and also procurement of five numbers of Hot-Line washing equipments is under process

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

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

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

7) **Automated Meter Reading (AMR) project for interface energy meters:**
Automated Meter Reading (AMR) project is implemented for transmission & sub-transmission system throughout the geographical domain of MSETCL and in Mumbai utilities like Adani, BEST & TATA in a phased manner for better granularity and ramp monitoring. This project enabled automated, transparent and reliable process of

interface energy meter data collection without manual intervention. It provides actual energy data for effective implementation of Deviation Settlement Mechanism (DSM) in the state of Maharashtra, in line with SAMAST guideline. DSM is a need of GRID discipline and through AMR ABT system it can be achieved in precise and faster manner. Old Interface Energy Meter (IEM) meter data was uploaded manually for DSM. After implementation of this project about 80% IEM data is available through AMR. AMR project also help in scheduling and billing activity at SLDC level.

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

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

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

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

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

B. State Grid Operations

<u>State Load Dispatch Centre</u>

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

The functions of State Load Dispatch Centre are as under:

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

(b) Monitor grid operations;

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

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

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

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

(B) (1) <u>Highlights for the FY 2021-22 are as under:</u>

1. Max State Demand Catered was 28016 MW in the month of March 2022.
2. System Frequency remained in permissible range of 49.90 Hz - 50.05 Hz for 75.52% of time. (Max. frequency noted in September' 2021 as 50.30 Hz and Min. Frequency was noted in September' 2021 as 49.50 Hz, Average frequency was 49.99 Hz)
3. Total 176642 MUs energy Demand was catered.

(All Figures are operational and based on SCADA data)

(B) (2) Major Achievements

1. On 11.10.2021 MSLDC successfully implemented the MERCS Deviation Settlement Regulation in the State. All Distribution Licensees and generators having 25 MW capacity and more are stakeholders in this regulation. With the implementation of DSM, we have succeeded in reducing the difference between scheduling and actual consumption. This has contributed to increase the efficiency of the grid and reduction in the electricity tariff in the state. Also, Maharashtra is the only state in the country to use Decentralized and Centralized Merit Order Dispatch in DSM system.
2. On dated 19.12.2021 for the first time, Black Start Procedure was successfully carried out from Pench hydroelectric power plant in Madhya Pradesh to Khaparkheda thermal power plant in Maharashtra. Also, Black start has been successfully carried out on dated 05.12.21 from Tata Power's Bhira, Bhivpuri and Khopoli hydro Power Plants.
3. MSLDC has developed an "Alert Messaging System". In this System, Critical elements at 400 kV & 220 kV level feeding power to MMR & Mumbai are configured along with permissible limits.

   Based on loading conditions, Mumbai Demand & Mumbai exchange, alerts viz. "Red", "Orange" & "Yellow" are sent to all the Stake holders in MMR & Mumbai i.e. TPC, AEML, MSETCL Sub-Stations, etc. MSLDC Instructions to be followed by the Stake holders are also sent based on alert.

   With this system, all the Stake holders in the MMR & Mumbai are now made aware about System Criticality so as to avoid any occurrence due to communication gap.Based on the experience & benefits from this system, MSLDC is in process of extending the same for the whole State
4. As per Clause 28 of Maharashtra Electricity Grid Code 2020 (MEGC 2020) State Load Despatch Center developed various procedures. All these procedures have been developed in-house by MSLDC officials. All these procedures are now available on MSLDC website for the use of Stakeholders.
5. There is long pending demand from hydro generators to compensate them suitably for Condenser mode Operation of generating unit. The MSLDC has developed "Reactive Compensation Module" and now hydro generators are suitably compensated for Condenser mode operations. The Reactive Energy accounting and Billing is started from 14.03.2022. Maharashtra is the first State to implement Reactive Energy billing.
6. Cyber Security audit of SCADA , REMC & URTDSM system carried out on dated 12th July to 22nd July 2021 by CERT-in empanelled agency M/s. E&Y Consultants Pvt Ltd.
7. Established Data Communication between URTDSM system with SCADA system on IEC 104 Protocol for Data Redundancy.
8. PDC to PDC communication between SEL WAMS and URTDSM system established.
9. MSLDC operating various third-party bank accounts such as MSPC UI settlement, MSPC reimbursement account, RE-DSM and DSM pool account. MSLDC is only operating these accounts as the custodian of fund as a Nodal agency as per directions of MERC. Till 31.03.2021 transactions of these accounts were not recorded in books of accounts. On 31.03.2021 single entry passed in the books of accounts of MSETCL for recording third party bank a/c and corresponding liabilities. In the FY 21-22 separate Bank GL and lability GL is created in SAP and all detail data from 2011 is punched in the SAP system.
10. Active Directory System has been implemented for Centralized Control and monitoring over the user access and network permissions. Centralized policies have been implemented in respect of Cyber Security with help of Active Directory service. Centralized access rights management, password management policy has been implemented using Active Directory. Centralized implementation of advisories received from CERT-Trans, CERT-GO, CSK(Cyber Swachhta Kendra), NCIIPC related to Operating System patches updates, Browser updates, other applications updates/patches like MS-office, Acrobat reader etc. Active Directory can help System administrators in all kinds of tasks related to maintaining a healthy network and monitoring it consistently.
11. CII (Critical Information Infrastructure) in respect of MSLDC has been identified by NCIIPC. It includes SCADA, REMC SCADA, URTDSM & WBES (Web Based Energy Scheduling) systems of the SLDC. Further proposal for notification of CII as a Protected System (as per IT ACT 2000) in the gazette of GoM has been submitted.
12. To comply with the CEA guidelines on Cyber Security on Power Sector, CCMP (Cyber Crisis Management Plan) was prepared & submitted to the CERT-IN for final vetting. The CCMP Plan has been approved by CERT-GO.
13. ISO/IEC 27001:2013 is the international standard for information security. It sets out the specification for an information security management system (ISMS). ISO 27001's best-practice approach helps organizations manage their information security by addressing people, processes, and technology. This office has prepared Information System Management System (ISMS) Policy Documentation as per ISO-27001.

(B) (3) Generation capacity addition during FY 2021-22 in MW:

Particulars	Unit No.	Addition in MW.	Remarks
State Sector			
MAHAGENCO		NIL	
IPPs		NIL	

Central Sector Units declared COD in FY 2021-22

Unit	Capacity in MW	MSEDCL share in MW	Date of COD
NIL			

(B) (4) Short Term Open Access Granted during the FY 2021-22

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

a. Intra/Inter State STOA:

FY	Firm Power	Day Ahead/Same Day Power	Total No of Applications
2020-21	1288	608	1896
2021-22	1943	2329	4272

b. Inter State STOA through Power exchange :-

F. Y.	Standing clearance NOC's through IEX Applications	Standing clearance NOC's through PXIL Applications	Total Nos. of Standing clearance NOC's processed
2020-21	277	0	277
2021-22	281	0	281

c. Energy Transaction through STOA:-

FY	Total Quantum (Mus)
2020-21	22745
2021-22	29497

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

d. REC applications processing: -

Year	No. of applications processed
2021-22	2395 (Highest in the country)

(B) (5) Challenges before State Load Despatch Centre

1) **Grid Operational challenges:** Management of Deviation limits, increased complexity in CTU/STU system, Demand forecasting & management, ramp up/down capability for balancing variations with impact of RE injection. 100% visibility is required for reliable and secure grid operation, Reactive compensation for keeping voltage in permissible limits.

2) **Technology up-gradation:** Enhancement of SCADA/Communication system for data visibility and controllability, Real time Reliability/dynamic security assessment using (WAMS) and development of Decision support tools for control action.

3) **Renewable Energy - Large scale integration issues and REMC:** Forecasting and scheduling of RE, Establishment of Renewable Energy Management Centre & its operational framework and Ancillary services operation. Improvement in accuracy of RE Forecast.

4) **Energy Accounting, Commercial or Market Related Challenges:** Automated Meter reading System, Finalization of weekly UI bills under DSM Mechanism, Up gradation of Billing and Commercial software, and Switchover to national level mechanism for deviation settlement.

   AMR project is successfully implemented and now the AMR Data is being utilized for DSM Billing.

5) **Training and Capacity Development:** Capacity development, training, attitude, domain knowledge, competence & skill and redefine process for selection and placement of personnel in SLDC.

6) Raised the issue in MSPC meeting regarding investment DSM and RE-DSM corpus fund. As per MSPC meeting dt 15.01.2022 it is decided to take opinion of consultant regarding taxation issues and also approached MERC for issuing guidelines regarding Investment of DSM and RE-DSM corpus fund, as there is no separate provision in corresponding regulations in this regard. MSLDC sought the opinion of M/s Deloitte consultant and put up the issue before working group of MERC.

7) **Cyber Security:** Power system is one of the critical infrastructures of the nation and needs to be protected from any kind of attack. Recently, attempts of cyber-attack to disrupt the power system operation have been observed by the cyber security monitoring agencies of Govt. Of India.

   Power system equipment are getting smarter with deployment of the latest technology including ICT devices for better automation and control in power system but this also increases the challenges for securing the IT & OT computer of power system from cyber- attacks. Securing computer devices from cyber -attacks require preventive and mitigation measures under the guidance of cyber security agencies.

   To mitigate the continuous Cyber Security Threats, it is necessary to establish dedicated Cyber Security Cell with dedicated IT and OT Professional as per MoP directives vide letter no. DO 1/2/2021/IT dated 08.03.2021.

C. State Transmission Utility

(C) (1) Regulatory and Commercial Activity for the Year 2021-22: NIL

(C) (2) Open Access & Grid Connectivity related Activities for the year 2021-22:

- **Open Access**
  - Long term Open Access (Intrastate) - Nil
  - Medium term Open Access (Intrastate) - Nil
  - Long term Open Access (Interstate) - 1
  - Medium term Open Access (Interstate) - Nil
  - Partial Long term Open Access - 11
  - Partial Medium term Open Access - 24
- **Grid Connectivity**
  - **Independent power project/CPP :**

    Final Grid connectivity issued to 1 no. project with capacity 8 MW. Grid connectivity issued to 1 no. Project of capacity 92.34 MW.
  - **Co-Generation power projects:**

    Final Grid Connectivity issued to 04 nos. of Co-Generation power plants with total capacity of 100MW & Grid Connectivity issued to 10 nos. of co-gen project with total capacity of 157.2 MW.
  - **Wind power projects :**

    No final Grid Connectivity issued to any project. Project Grid connectivity issued to 2 nos. projects of capacity 140MW
  - **Solar power projects :**

    Final Grid connectivity issued to 08nos. of projects with total capacity 421MW. Grid connectivity issued to 23 nos. projects of total capacity 1215 MW.
  - **Small Hydro Power Plants :**

    Final Grid Connectivity issued to 01 no. project with capacity 9 MW. Grid connectivity issued to 1 no. project of total capacity 4.6 MW.

- **Municipal solid/Industrial waste :**
  Final Grid Connectivity issued is Nil.
  Grid connectivity issued to 1 no. project of total capacity 14 MW.
- **EHV Consumers :**
  Final Grid connectivity issued to 9 nos. of EHV consumers with power demand of 290 MVA. Intimation for Grid connectivity issued to 27 nos. of EHV consumers with power demand of 1884.13 MVA.
- **Railway EHV TSS :**
  Final Grid connectivity issued to 8 nos. of EHV Railway consumers with power demand of 153 MVA. Intimation of Grid connectivity issued to 2 nos. of EHV Railway TSS with Power Demand of 14 MVA.

(C) (3) STU Five year Transmission plan for the period 2021-22 to 2025-26

The STU Five year plan for the F.Y.2021-22 to 2025-26 has been approved by Board. The technical abstract for the same is a below:

Sr. No.	Particulars	Maharashtra State Abstract					Total
		2021-22	2022-23	2023-24	2024-25	2025-26	
1.	New substations						
	400 KV	2	2	2	1	0	**7**
	220 KV	10	12	8	10	5	**45**
	132 KV	6	8	5	4	2	**25**
	110 KV	0	1	1	0	1	**3**
	100 KV	0	1	0	0	0	**1**
	Sub Total	**18**	**24**	**16**	**15**	**8**	**81**
2.	EHV Lines						
i)	Lines associated with new s/s in ckt -km						
	400 kV	454	267	6	40	0	**767**
	220 kV	823.4	573.67	291	350	110	**2148.07**
	132 kV	368.5	214.24	251.2	183	71	**1087.94**
	110 kV	0	2	40	0	30	**72**
	100 kV	0	3	0	0	0	**3**
	Sub Total	**1645.9**	**1059.91**	**588.2**	**573**	**211**	**4078.01**
ii)	Link Line in ckt -km						
	765 KV	0	0	0	0	0	**0**
	400 KV	182.7	73	14	0	0	**269.7**
	220 KV	254	329	387	168	0	**1138**
	132 KV	543	129	311	0	10	**993**
	110 KV	154	28	70	0	0	**252**
	100KV	0	0	10	0	0	**10**
	Sub Total	**1133.7**	**559**	**792**	**168**	**10**	**2662.7**
iii)	2nd ckt stringing in ckt -km						
	400 KV	0	0	0	0	0	**0**
	220 KV	130	0	0	86	43	**259**
	132 KV	347	439	112	42	26	**966**
	110 KV	0	35	0	0	00	**35**
	100 KV	35	0	0	0	0	**35**
	Sub Total	**512**	**474**	**112**	**128**	**69**	**1295**
iv)	Conversion of existing line in ckt-km						
	400 KV	0	0	0	0	0	**0**
	220 KV	0	0	0	0	0	**0**
	132 KV	0	0	0	0	0	**0**
	110 KV	0	90	0	0	0	**90**
	100 KV	0	0	124	0	0	**124**
	Sub Total	**0**	**90**	**124**	**0**	**0**	**214**

v)	Replacement of conductor in ckt -km						
	400 KV	0	0	0	0	0	**0**
	220 KV	0	0	0	0	0	**0**
	132 KV	53	80	0	0	0	**133**
	110 KV	0	0	0	0	0	**0**
	100 KV	0	0	0	0	0	**0**
	EHV Lines Total (Ckt-kM) Sub Total	**53**	**80**	**0**	**0**	**0**	133
vi)	HTLS in ckt-km						
	400kV	52	50	0	0	0	**102**
	220kV	33	95.5	26	0	99	**253.5**
	132kV	165	146.8	54	0	8	**373.8**
	110kV	0	0	0	0	0	**0**
	100kV	0	0	0	0	0	**0**
	Sub Total	**250**	**292.3**	**80**	**0**	**107**	**729.3**
3 i)	Addition of Transformation capacity in New SS (MVA)						
	400 KV	2000	2000	2000	1000	0	**7000**
	220 KV	1550	2100	1500	1150	500	**6800**
	132 KV	400	550	250	200	200	**1600**
	110 KV	0	100	50	0	100	**250**
	100 KV	0	100	0	0	0	**100**
	Sub Total	**3950**	**4850**	**3800**	**2350**	**800**	**15750**
ii)	Creation of new level (MVA)						
	400 KV	25	0	315	0	0	**340**
	220 KV	450	500	800	250	0	**2000**
	132 KV	50	0	100	0	0	**150**
	110 KV	0	0	0	0	0	**0**
	100 KV	0	0	0	0	0	**0**
	Sub Total	**525**	**500**	**1215**	**250**	**0**	**2490**
iii)	ICT Addition						
	400 KV	315	3315	1000	0	0	**4630**
	220 KV	600	200	400	100	0	**1300**
	132 KV	0	0	0	0	0	**0**
	110 KV	0	0	0	0	0	**0**
	100 KV	0	0	0	0	0	**0**
	Sub Total	**915**	**3515**	**1400**	**100**	**00**	**5930**
iv)	ICT Replacement						
	400 KV	185	555	740	0	0	**1480**
	220 KV	400	150	850	0	0	**1400**
	132 KV	0	0	0	0	0	**0**
	110 KV	0	0	0	0	0	**0**
	100 KV	0	0	0	0	0	**0**
	Sub Total	**585**	**705**	**1590**	**0**	**0**	**2880**
v)	TF Addition						
	400 KV	0	0	0	0	0	**0**
	220 KV	175	450	700	0	0	**1325**
	132 KV	325	450	775	0	0	**1550**
	110 KV	50	25	50	0	0	**125**
	100 KV	0	175	0	0	0	**175**
	Sub Total	**550**	**1100**	**1525**	**0**	**0**	**3175**

vi)	**TF Replacement**						
	400 KV	0	0	0	0	0	**0**
	220 KV	75	400	275	0	0	**750**
	132 KV	325	75	250	0	0	**650**
	110 KV	0	0	25	0	0	**25**
	100 KV	0	0	25	0	0	**25**
	Sub Total	400	475	575	0	0	**1450**
	Capacity addition Total (MVA)	**6925**	**11145**	**10105**	**2700**	**800**	**31675**

(C) (4) Challenges before STU

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

D. JOINT VENTURES OF MSETCL

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

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

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

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

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

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

For JPTL, the transmission charges are recovered through a 'cost-plus' mechanism. This mechanism of fixing transmission charges ensures recovery of O&M expenses, interest expense, depreciation, etc. and a post-tax return on equity of 14%. However, a temporary cash flow impact is expected due to the expected collection weakness at the discom level.

For the Financial Year 2021-22, the transmission system availability achieved was 99.63% against the normative availability of 98%.

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

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

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

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

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

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

Our co-location services provide a flexible rental rack space in a highly secured location with uninterrupted power supply and multiple back-up power. MTCIL is the first in the Indian telecom industry to introduce edge computing containerized data centers (CDC) to host telecom equipment at co-location facilities. CDC solution reduces the turnaround time and provides superior customer experience.

Acquisition of Stake of Sterlite Technologies Limited in MTCIL by the Sterlite Power Transmission Limited.

During the year under review, The Sterlite Power Transmission Limited had acquired the stake of Sterlite Technologies Limited in MTCIL by paying the consideration amounting to INR 43,00,00,000 (Rupees Forty Three Crores Only).

DATA GROWTH AND FIBER REQUIREMENT

The market of data consumption in the country has been described here through the prism of mobile data consumption. Several reports released in the recent past have highlighted the exponential growth being witnessed in the mobility data market. According to the Nokia MBiT 020 report, the total data traffic in India has increased by forty-four times in the last four years and the year 2020 saw an increase of 65% in overall data traffic. The average data usage per month surpassed 18 GB as of August 2022. Rising smartphone users, falling data tariff and the changing video viewing habits (OTT consumption) of the population have become harbingers of growth for 4G consumption. As the broadband penetration in India (currently at 55%) expands further, the mobile data usage can be expected to follow the trend.

Consumption of video, which is the driver of data usage is likely to enhance the engagement level of the consumers as these videos get embedded in all types of online content.

In addition to mobility, a synchronous enhancement in data traffic is anticipated to pivot from data centers. The steady rise in cloud computing, virtualization and Govt of India's Digital India Initiative is likely to result in proliferation of the data center connectivity market. The market is pegged to touch US Dollars 4 billion by the year 2025 and further grow in capacity across Mumbai, Chennai, Delhi, Hyderabad which would require OPGW connectivity as a stable medium to connect.

This ever increasing and multifaceted demand for data, will require a robust fiber backhaul. As uninterrupted services become a necessity, uptimes and superior SLAs that are characteristic of OPGW fiber infrastructure will gain more and more traction, thereby benefitting the OPGW infrastructure providers.

BUSINESS OUTLOOK

MTCIL continues to be a preferred choice for large telecom service providers, ISPs and MSOs who are wanting OPGW fiber connectivity to boost their network performance and have near 100% uptime to provide superior services to their end customers. MTCIL has an active customer base of nineteen leading Telecom and Internet services providers including Reliance Jio Infocomm Ltd., Vodafone Idea Ltd, TATA Communications Ltd. and Bharti Airtel Ltd as of March 31, 2022. The financial year 2021-22 has been a landmark year for MTCIL with an INR 180 Crores approx order booking from existing and new customers. The cash collections in FY 2022 stood at a whopping Rs. 150 Cr approx.

Buoyed by the success in FY 2022 and the exponential growth in data traffic post pandemic, MTCIL is planning to upgrade its 48F fiber with 96F fibre for doubling the network capacity at certain selected routes. MTCIL is the first one in India to use 96F in OPGW. Also, MTCIL network will be expanded by additional 2,000 kms across strategic geographies in FY 2023. This will further strengthen MTCIL's capabilities as largest digital infrastructure provider with robust OPGW serving all communication service providers in the region.

MTCIL is planning to leverage its network and demonstrated uptimes and stability of OGW and position the fiber service to large OTT players who are actively looking at Stable networks to run their mission critical applications. MTCIL expects sizeable deals from OTT segment through licensed service providers in FY 2023.

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

E. Human Resource Department

(E) (1) The MSETCL believes that the employees of the Company is the real asset of the Company. There is strong bonding between the Company and its employees. The Company believes that the employees play vital role in achievement of Organizational goal. The MSETCL always strive to focus on Employee development.

Our employees are committed towards Company's Core Values, and Objectives of the Company. Employees' Participation in Management was made effective based on mutual respect, trust and a feeling of being a progressive partner in growth and success.

The productivity of employees is demonstrated by increase in efficiency of transmission capabilities and reduction in transmission losses. The MSETCL strives towards improving organizational effectiveness, while still adhering to the company's culture and values. The Company focus on Maximizing employee potential, help them amplify their contributions, and leverage their accomplishments to further organizational success.

In its pursuit of personnel management excellence, the Company has been implementing various initiatives with the primary objective of ensuring supreme performance by providing optimal support for employees. The Company always strives to develop a management culture, trust, transparency and open communication and to establish a strong ethos of work culture, quality consciousness and high performance across the organization.

(E) (2) Working Manpower Strength (Including supernumerary) as on 31st March 2022 is 8246 nos.

(E) (3) HRD Initiative

- Implementation of Good Practices.
- SAP (ERP) Implementation.
- End-user training for implementation of SAP (ERP) is being given.
- Implementation of Training Policy for employee development.
- Development of Regional Training Centres as a new profit centres.
- Working towards proactive HR Practices
- Imbibing Value Culture within Organization thorough HR Development activities

(E) (4) MSETCL Training & Development

a. MSETCL Training Policy-

MSETCL Belief:

MSETCL believes that Human Resource has pivotal role in growth & development of the company. MSETCL endeavours to build employees' capability through training.

MSETCL Training Policy:

MSETCL has adopted National Training Policy issued by Ministry of Power, Government of India. As per this policy 7 days training is to be provided to each employee annually. Out of 7 days training, 4 days training is based on functional area and 3 days on behavioural area.

Development of RTCs :

MSETCL with an aim to develop its own training infrastructure, 07 Regional Training Centres (RTCs) have been strengthened. MSETCL always strive to enhance technical as well as soft skills of the officers.

Innovative Training Practices:

Further, in order to enhance technical knowledge and skills of engineers, MSETCL employees are nominated for various webinars, online trainings from reputed institutes such as CBIP, IEEMA, etc. whenever required.

b. During the year 2021-22, due to COVID - 19 pandemic, classroom training programs were on hold and various need based training programmes were conducted mostly in online in following areas:

- Technical and Advance
- Leadership Development
- CHR

c. Development of RTCs:

- Specialized training infrastructure has been set-up through development of seven RTCs at each zones. These RTC's are CEA recognized. The inspections for RTC reorganization as training centre were conducted by CEA authorities.
- The facilities at RTCs are being developed. The training programmes for the Pay Group III and IV are structured and imparted through in-house faculties.

d. Other Value Additions:

- Initiative for conducting online MCQ based departmental examination at MSETCL end is being undertaken

e. Training imparted and expenditure incurred during the year 2021-22 is as under:

Total (session-wise) Mandays covered *	Expenditure Incurred (Rs. In Lakhs)
30216	277

* **Due to covid-19 pandemic, classroom trainings were on hold and need based online training sessions were conducted.**

f. Future Plans:

- Conduction of online MCQ based departmental examination at MSETCL end
- Training programs on advanced topics such as HVDC, Digital Substation, Project Management, Contract Management etc.
- Conduction of Project, O&M and Vendor Summit
- Need based training

(E) (5) Achievements :

- MSETCL has achieved following prestigious awards during 2021-22.

Sr. No.	Name of Award	Segment / Category	Award Type	Award By	Award Against specialized work	Date of Award
1	8th PSU Awards	PUS Awards	Trophy	Governance Now	"Digital transformation" Digitalization of Eservice book	29.07.2021
2	Leading Director	-	Winner	Greentech Foundation	Leadership	27.08.2021
3	SKOCH	Power & Energy	Silver	SKOCH	MSETCL AMR Project	16.11.2021
4	Navbharat	Governance	Winner	Navbharat Times	Governance Award 2021	20.11.2021
5	8th CSR India Awards	-	Winner	Greentech Foundation	Outstanding Achievement as Corona Warrior	26.11.2021

(E) (6) Employee Welfare

- MSETCL undertakes various employee welfare policies time to time. Under the MSEB HCL Group Mediclaim Insurance Policy it has been provided Mediclaim Insurance for the employees and his 05 dependents.
- Company conducts Sports tournaments at Division, Circle, Zone & State level and Drama Competition at Zone & State level. Sports and Drama Competitions are organized at alternate years.
- The Company also participates in tournaments organized by All India Electricity Sports Control Board (AIESCB). The employees secured Gold/ Silver/ Bronze medal in National/ International, AIESCB Sports tournaments is felicitated with cash prizes.
- The Company encourages employees to participate in Drama Competition. It conducts Drama Competition at Circle, Zone & Inter-Company level. Some of the winner Drama teams also secured prestigious awards in Drama Competition conducted by Maharashtra State Govt.
- MSETCL also provides various cash prizes to the wards of the employees for various selection for qualifications viz. M.B.B.S., Scientific Research, selected in UPSC/ MPSC for Class-I post. National Saving Certificate of Rs. 5000/- to the employees who have given birth to female child is provided.
- Scholarship to the wards of the employees who stands in merit in the 10th Standard upto graduation level is provided through MSEB Staff Welfare Fund Committee.
- School bus facility is provided at remote sub-stations such as Padgha.
- The wards of employees having minimum 40% disability / deaf & dumb as certified by the District Civil Surgeon will be given financial aid of Rs. 5,000/- to purchase tricycle/ hearing aids through MSEB employees Staff Welfare Fund Committee.
- The Company has introduced Rs. 20 Lacs Term Insurance Policy for employees. Further, due to risk of Covid-19 the Company has also provided Financial Assistance of Rs. 30 lacs to dependents of deceased employee.
- The Company has also adopted Accident Insurance Policy of Rs. 10 lacs from Government of Maharashtra for Company employees.

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

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

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

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

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

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

II. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Directors

During the financial year 2021-22, the following changes in the composition of the Board of Directors of the Company have taken place as per the directions of the Energy Department, Government of Maharashtra and the holding Company, MSEB Holding Co. Ltd.

Sr.No.	Name of the Director	Date of Appointment	Date of Cessation
1.	Shri. Dinesh Waghmare, IAS	23.01.2020	-
2.	Shri. Ashok Phalnikar	05.10.2020	-
3.	Shri. R.D. Chavan	05.05.2015	17.05.2021
4.	Shri. Quadri Nasir Syed Mazhar	05.10.2021	-
5.	Shri. Anil Vilas Kolap	05.10.2021	-
6.	Shri. Sugat Gamare	10.01.2022	-
7.	Smt. Trupti Mudholkar	22.01.2021	-

Directors on the date of report are as follows:

Sr.No.	Name of the Director	Designation	Date of Appointment
1.	Shri. Dinesh Waghmare, IAS	Chairman & Managing Director	23.01.2020
2.	Shri. Ashok Phalnikar	Director(Finance)	05.10.2020
3.	Smt. Trupti Mudholkar	Director	22.01.2021
4.	Shri. Quadri Nasir Syed Mazhar	Director(Projects)	05.10.2021
5.	Shri. Sugat Gamare	Director(Human Resource)	10.01.2022
6.	Shri. Vishwas Pathak	Independent Director	22.08.2022
7.	Smt. Abha Shukla	Nominee Director	29.11.2022

(B) PERFORMANCE EVALUATION OF DIRECTORS

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

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

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

(C) Key Managerial Personnel

During the financial year 2021-22 the following are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

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

(D) Meetings

(i)Board Meetings

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

S.No.	Number of Board Meeting	Date of Board Meeting
1.	147th Board Meeting	14.05.2021
2.	148th Board Meeting	11.09.2021
3.	149th Board Meeting	02.09.2021
4.	150th Board Meeting	12.10.2021
5.	151st Board Meeting	18.11.2021
6.	152nd Board Meeting	29.12.2021
7.	153rd Board Meeting	24.02.2022

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

Board Meeting attendance of directors during financial year 2021-22

Name of the Director	No. of Board Meetings held	
	Held	Attended
Shri. Dinesh Waghmare	7	7
Shri. R.D. Chavan(1)	7	1
Shri. Ashok Phalnikar	7	7
Smt. Trupti Mudholkar	7	7
Shri. Anil Vilas Kolap(2)	7	4
Shri. Quadri Nasir Syed Mazhar(3)	7	4
Shri. Sugat Gamare(4)	7	1

1. *Shri. Chavan ceased to be Director w.e.f. 17.05.2021*
2. *Shri. Kolap was appointed as Director w.e.f. 05.10.2021*
3. *Shri. Quadri was appointed as Director w.e.f. 05.10.2021*
4. *Shri. Gamare was appointed as Director w.e.f. 10.01.2022*

(ii) COMMITTEE OF THE BOARD OF DIRECTORS

The Company has the following Committees of the Board:

- **Audit Committee (AC)**

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

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

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

  During the financial under review, no Audit Committee Meeting was held.

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

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

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

  During the financial under review, no Nomination and Remuneration Committee was held.

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

Sr. No.	Name of Committee Members	Designation	In the ex-officio capacity of
1.	Shri. Dinesh Waghmare, IAS	Chairman	Chairman & Managing Director
2.	Shri. Quadri Nasir Syed Mazhar	Member	Director (Projects)-Executive
3.	Shri. Ashok Phalnikar	Member	Director(Finance)-Executive

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

Sr. No.	Number of CSRC Meeting	Date of Meeting
1.	26th Corporate Social Responsibility Committee Meeting	15.05.2021
2.	27th Corporate Social Responsibility Committee Meeting	11.06.2021
3.	28th Corporate Social Responsibility Committee Meeting	02.09.2021
4.	29th Corporate Social Responsibility Committee Meeting	24.02.2022
5.	30th Corporate Social Responsibility Committee Meeting	31.03.2022

CSRC Meeting attendance of directors during financial year 2021-22

Name of the Director	No. of Board Meetings held	
	Held	Attended
Shri. Dinesh Waghmare	5	5
Shri. R.D. Chavan	5	5
Shri. Ashok Phalnikar	5	5

MEETINGS OF THE MEMBERS OF THE COMPANY
Annual General Meeting
The last three Annual General Meetings (AGM) were held as under:

AGM	For the F. Y.	Venue	Day and Date	Time
14th	2018-19	Conference Hall, 6th Floor, Prakashgad, Bandra(East), Mumbai- 400051	Thursday, December 12, 2019	14.00 Hrs.
15th	2019-20	Conference Hall, 3rd Floor, HSBC Building, Fort, Mumbai-400001	Tuesday, December 29, 2020	13.00 Hrs.
16th	2020-21	Conference Hall, 3rd Floor, HSBC Building, Fort, Mumbai-400001	Wednesday, December 29, 2021	17.00 Hrs.
Adj. 16th	2020-21	Conference Hall, 3rd Floor, HSBC Building, Fort, Mumbai-400001	Thursday, February 24, 2022	12.20 Hrs.

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

Particulars	2021-2022	2020-2021
Total Income	5203.22	4990.39
Total Expenditure	4013.19	3302.25
Profit Before Tax	**1190.03**	**1688.14**
Provision for Tax	614.77	278.89
Net Profit / (Loss) after Tax available for Appropriation	**955.36**	**1073.37**
Other Comprehensive Income	-21.45	2.02
Total Comprehensive Income	**933.91**	**1075.39**

Profit before Tax for the year 2021-22 is at Rs.1190.03 crore as against Rs.1688.14 crore during the previous FY 2020-2021. Profit after Tax for FY 2021-22 is at Rs.955.36 crore as against Rs.1073.37 crore during the previous FY 2020-2021. The major element of Revenue for the Company is Transmission Charges which is collected from State Transmission Utility (STU).

(B) Reserves

The Company has transferred Rs.83.35 crores to Contingency Reserve Fund, Rs. Nil to Special Reserve Fund and Rs.(18.57) crores to Load Dispatch Center Empowerment Reserve (LDCD) Fund.

(C) Change in Share Capital

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

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

In F.Y. 2021-22 there was no change in the Share Capital of the Company.

(D) Dividend

Considering the requirement of funds for system improvement and various infrastructural projects, Directors did not recommend any dividend for the financial year ended 31st March 2022.

(E) Internal Controls

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

(F) Subsidiary and Associates Company:

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

MSETCL has two Associate Company's namely

i) Jaigad Power Transco Limited

ii) Maharashtra Transmission Communication Infrastructure Limited

(G) Cost Auditors

The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, in exercise of powers conferred u/s 148 of the Companies Act, 2013 issued Companies (Cost Records and Audit) Amendment Rules, 2014 to audit Cost Accounting Records and Books of Accounts maintained by the company in respect of Electricity Industry. M/s B J D Nanabhoy & Co., Cost Accountants were the cost auditor for the F.Y. 2021-22.

The Board of Directors appointed M/s B J D Nanabhoy & Co., Cost Accountants, as the cost auditor for the F.Y. 2022-23 and their appointment has been taken on record by MCA.

(H) Statutory Auditors

As the Company is a Government Company under section 2(45) of the Companies Act, 2013, the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 appoints the statutory auditors to audit the annual accounts. The C&AGI, New Delhi vide letter No./CA. V/COY/MAHARASHTRA, MSETCL(1)/1926 dated 17/01/2022 has appointed M/s. KKC & Associates LLP. Chartered Accountant Firms, Mumbai as Statutory Auditors for F.Y. 2021-22.

The C & AGI, New Delhi vide letter No./CA. V/COY/MAHARASHTRA, MSETCL(1)/252 dated 29/08/2022 have appointed M/s MSKA & Associates, Chartered Accountant Firms, Mumbai as the statutory auditors for the financial year 2022-23. The statutory auditors appointed by C&AGI will hold office until the conclusion of next Annual General Meeting.

(I) Explanation to the remarks of Statutory Auditors' Report

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

In terms of Section 143 (6) of the Companies Act, 2013 the comments of the Comptroller and Auditor General of India on the accounts of the Company for the year ended March 31, 2022 are annexed to the report as Annexure IV.

(J) Deposits

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

(K) Particulars of Loans, guarantees or investments

Your company has not directly or indirectly:

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

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

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

(L) Related Party Transactions

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

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

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

(N) Funding arrangement/Institutional Borrowing

MSETCL has submitted its Capital Expenditure Plan for FY 2020-21 to 2024-25 of around Rs.7,155 crores to MERC.

In the Financial Year 2021-22, MSETCL has raised Rs.1,730 crores through Debt including Refinancing. For debt component, MSETCL has tied up with Power Finance Corporation (PFC), Rural Electrification Corporation (REC), KFW and Nationalized Banks. MSETCL has earlier raised loans from International Agencies like the International Finance Corporation and the Japanese Bank of International Co-operation (JBIC).

IV. OTHER COMPLIANCES

(A) Secretarial Audit Report

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

(B) Risk Management Policy

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

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

(C) Extract of Annual Return

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

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

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

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

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

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

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

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

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

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

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

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

Technology Absorption

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

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

Foreign exchange earnings and Outgo

There has been no Foreign Exchange earnings and outgo during the year 2021-22.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

VII. DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2022 and of the profit and loss of the company for that period;

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

(d) the directors had prepared the annual accounts for the financial year ended March 31, 2022, on a going concern basis; and

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

VIII. ACKNOWLEDGEMENTS

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

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

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

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

For and on behalf of the Board of Directors

Sd/-
Dinesh T. Waghmare
Chairman & Managing Director

Place: Nagpur
Date: 29.12.2022

Annexure Index

Annexure	Content
I	List of EHV substation commissioned during the F.Y. 2021-22
II	List of EHV transmission lines commissioned during the F.Y.2021-22
III	Comments of Statutory Auditors and Management's Response thereupon
IV	Comments of Comptroller and Auditor General and Management's Response thereupon
V	MR-3 Secretarial Audit Report
VI	Annual Return Extracts in MGT 9
VII	Annual Report on Corporate Social Responsibility

Annexure - I

EHV Substations commissioned during the F.Y. 2021-22

SN	Substation & Scope	Scope	Zone	MBR	MVA/ MVAR	COD	SS/TA/TR
1	220/132 kV Narangwadi S/S	2 x 100MVA, 220/132kV ICT-I & II, 2 x 25 MVA, 220/33 kV T/F-I&II	Aurangabad	BR 114/7 dt 30-03-2017	250	30-Jun-21	SS
2	132/ 33 kV Kothali substation	2 x25MVA, 132/33kV T/Fs	Nashik	BR 122/09 Dtd. 30.10.2017	50	12-Oct-21	SS
3	Establishment of 132kV Level at 400kV Lonikand –II substation	1x 100 MVA, 220/132kV ICT-I	Pune	BR 91/16 Dtd 26.06.14	100	01-Dec-21	SS
4	400/220 KV Karjat Substation	3 X 167MVA, 400/ 220kV ICTs-2 nos	Nashik	BR 118/08 Dtd 15.07.2017	1002	11-Jan-22	SS
5	132kV Karkee Substation	2 X 25MVA, 132/33kV T/Fs	Nashik	BR 127/30 Dtd. 23.03.18	50	10-Feb-22	SS
6	132/33KV Dhadgaon substation	2 X 25MVA, 132/33kV T/Fs	Nashik	BR 109/06 Dtd. 21-06-2016	50	01-Mar-22	SS
7	400kV Lonikand-II S/s	1 X 100MVA, 220/132kV ICT-II	Pune	BR 91/16 Dtd 26.06.14	100	21-Jan-22	TA
8	132/33 kV Ralegaon S/s	1 X 25MVA, 132/33kV T/F-II	Amravati	BR no 106/17 Dtd 02-03-2016	25	30-Jun-21	TA
9	132kV Ramache Pipalas	1 X 25MVA, 132/33kV T/F	Nashik	BR No. 130/09 Dtd.27.08.2018	25	02-Jun-21	TA (O&M)
10	132kV Kharadi S/s	1 X 50MVA, 132/22kV T/F	Pune	BR No. 130/07 Dtd.27.08.2018	50	07-May-21	TA (O&M)
11	132kV Rahuri S/s	1 X 50MVA, 132/33kV T/F	Nashik	BR No. 130/09 Dtd.27.08.2018	50	13-May-21	TA (O&M)
12	132kV Chalisgaon SS	1X50 MVA, 132/33 kV T/F	Nashik	BR 102/19 Dtd. 24.08.2015	50	21-Jun-21	TA (O&M)
13	220kV Phaltan S/s	1 X 25MVA, 220/33kV T/F	Karad	BR No. 130/08 Dtd.27.08.2018	25	01-Apr-21	TA (O&M)
14	220kV Kalwan (Bhendi) S/s	1 X 50MVA, 220/33kV T/F	Nashik	BR No. 130/09 Dtd.27.08.2018	50	17-Jul-21	TA (O&M)
15	132kV Visarwadi S/s	1X25 MVA, 132/33 kV	Nashik	BR No. 130/09 Dtd.27.08.2018	25	29-Jul-21	TA (O&M)
16	220kV Babhaleshwar	1 X 50MVA, 220/33kV T/F	Nashik	BR No. 130/09 Dtd.27.08.2018	50	21-Sep-21	TA (O&M)
17	132kV Akhada Balapur	1X25 MVA, 132/33 kV T/F	Aurangabad	BR No. 130/06 Dtd.27.08.2018	25	12-Aug-21	TA (O&M)
18	132kV Taloda	1X25 MVA, 132/33 kV	Bhusawal	BR No. 130/09 Dtd.27.08.2018	25	04-Oct-21	TA (O&M)
19	132kV Rashin	1X25 MVA, 132/33 kV	Nashik	BR No. 130/09 Dtd.27.08.2018	25	13-Oct-21	TA (O&M)
20	220kV Miraj Substation	1 X 50MVA, 110/33kV T/F	Kolhapur	BR. No. 130/08 Dtd.27.08.2018	50	01-Nov-21	TA (O&M)
21	220kV Ranjangaon SS	1x100MVA, 220/132kV ICT	Pune	BR 126/08 Dtd 23.02.2018	100	08-Feb-22	TR(O&M)
22	400kV Khaperkheda Substation.	1 x 25 MVA, 220/33kV T/F	Nagpur	CMD/MSETC L/ 932 Dtd. 25-09-2018	25	25-Feb-22	TR(O&M)
23	220/132 kV Jalkot substation	1 x25 MVA, 132/33 kV T/F	Aurangabad	CMD-3146 Dtd 17.10.2019	25	11-Mar-22	TR(O&M)
24	220kV Bhose S/s	1x 50 MVA, 220/33 kV T/F	Nashik	BR 137/06 Dtd 05.09.2019	50	30-Mar-22	TR(O&M)

25	110kV Sankh	1 x (50-25) MVA, 110/33kV T/F	Karad	BR No.115/7 Dtd.20.04.2017	25	19-Apr-21	TR
26	132kV Markal S/s	1 X(50-25)MVA, 132/33kV	Pune	BR 130/07 Dtd.27.08.2018	25	08-May-21	TR
27	132kV Markal S/S	1 X (50-25)MVA, 132/33 KV T/F	Pune	BR 130/07 Dtd.27.08.2018	25	24-May-21	TR
28	132kV Velapur S/s	1 X (50-25)MVA, 132-110/33kV T/Fs	Solapur	BR 130/07 Dtd.27.08.2018	25	31-May-21	TR
29	132kV Ambad S/s	1 X (50-25)MVA, 132/33kV T/F	Aurangabad	BR 130/06 Dtd.27.08.2018	25	25-Jun-21	TR
30	400/220/33kV Talandage S/s	3x(167-105) MVA, 400/220/33 kV ICT	Kolhapur	BR 126/12 Dtd 23-02-2018	186	16-Aug-21	TR
31	132kV Elichpur S/s	1x(50-25) MVA, 132/33kV T/F	Aurangabad	130/06 Dtd. 27.08.2018	25	13-Sep-21	TR
32	220kV Magarpatta S/s	1x(200-100) MVA, 220/132kV ICT	Pune	BR No.126/08 Dtd 23.02.2018	100	13-Nov-21	TR
33	132kV Elichpur S/s	1 x(50-25) MVA, 132/33kV T/F	Parli	BR130/06 Dtd 27.08.2018	25	23-Dec-21	TR
34	220 Kv Bhandara S/s	1 x (200-100) MVA, 220/132/11 kV ICT	Nagpur	CMD/159 Dtd 12.02.2018	100	20-Jan-22	TR
35	220kV Magarpatta SS	1 x(200-100) MVA, 220/132kV ICT	Pune	BR 126/08 Dtd 23.02.2018	100	16-Feb-22	TR
36	110kV Arawali TSS	only bays	Karad	CMD-78 Dtd 18.01.2018	0	19-Jul-21	SS
37	220kV JNPT SEZ S/s	only bays	Kalwa	Dir (Operations)-1447 Dtd 19.09.2017	0	06-Jul-21	SS
38	100kV Mangaon TSS	only bays	Kalwa	BR	0	08-Dec-21	SS
39	132 kV Ausa Road TSS. Only bays	only bays	Aurangabad	CMD-1894 Dtd 09.05.2019	0	31-Dec-21	SS
40	220KV Kharbao TSS only bays	only bays	Kalwa	CMD-905 Dtd 31.08.2017	0	20-Jan-22	SS
41	132kV Kankawali TSS only bays	only bays	Kolhapur	CMD-78 Dtd 18.01.2018	0	31-Jan-22	SS
				Total MVA	**2938**		

Annexure - II

EHV Transmission lines commissioned during the F.Y. 2021-22

SN	Line Name	MBR	Zone	Ckm	COD
1	2nd ckt stringing of 220 kV Padegaon - Sawangi line	BR 125/4 dtd.25-1-2018	Aurangabad	15.06	03-Jul-21
2	132 kV UG cable from 220 kV Magarpatta S/S to 132 kV Rastapeth GIS	BR 65/15 dtd.12-08-2011	Pune	9.56	13-Dec-21
3	2nd ckt stringing of 220 kV Valve -Jamde SCDC line (GEC-I)	BR 98/08, dtd.16-03-2015	Nashik	13.31	12-Apr-21
4	132 kV Jath - Kavthe Mahakal D/C line (GEC-I)	BR 98/08 dtd.16-03-2015	Karad	63.84	28-May-21
5	220kV DC line from 400kV Solapur (PG) S/S to 220kV Narangwadi S/S	BR 114/7 dtd.30-03-2017	Aurangabad	148.37	30-Jun-21
6	132 KV DC line from Pahur to Kekatnimbhora	BR 112/22 dtd.17.11.2016	Nashik	37.12	01-Jul-21
7	2nd circuit stringing of 132kV Shahada- Taloda line	BR 69/14 dtd.31-12-2011	Nashik	27	04-Jul-21
8	Laying of UG cable for 220KV DCMC Uran-Kharghar line alongwith dismantling of existing O/H line Ckt-I	BR 98/20 dtd.16.04.2015	Vashi	0	20-Sep-21
9	Laying of UG cable for 220KV DCMC Uran-Kharghar line alongwith dismantling of existing O/H line Ckt-II	BR 98/20 dtd.16.04.2015	Vashi	0	11-Sep-21
10	400KV LILO on first circuit of Lonikand-II to Girvali line at Karjat SS	BR 118/08 dtd.15.07.2017	Nashik	12.4	11-Jan-22
11	400KV LILO on first circuit of Lonikand-II to Girvali line at Karjat SS	BR 118/08 dtd.15.07.2017	Nashik	12.4	29-Jan-22
12	132kV MCDC Muktainagar-Karkee line	BR 127/30 dtd.23.03.2018	Nashik	21.7	10-Feb-22
13	132kV Taloda to 132kV Dhadgaon D/C line	BR109/06 dtd.21-06-2016	Nashik	62.626	28-Feb-22
14	132kV SCDC Kudal-Kankavali (Upto loc no 94 from Kankavali S/s)	BR 34/04 dtd.04-10-2008	Karad	28.46	08-Mar-22
15	132 kV Ahmednagar - Supa D/C line (GEC-I)	BR 98/08 dtd.16-03-2015	Nashik	38.78	07-Mar-22
16	LILO on 220kV Girwali - Hingoli line at 220kV Kurunda S/stn	BR 115/21 dtd.20-04-2017	Aurangabad	25	24-Mar-22
17	132KV LILO on Mankapur-Hingna-I at Lendra Park (O/H portion)	BR 135/ 34 dtd.06.06.2019	Nagpur	6.3	30-Mar-22
18	LILO on 132KV Kankawali-Kharepatan Line for 132KV Kharepatan (Chinchawali) TSS	CMD-78 dtd.18.01.2018	Karad	9.44	14-Jun-21
19	LILO on 132kV Chinchwad-Chakan line for M/s Inox Air Products Pvt. Ltd.	BR	Pune	2.936	27-May-21
20	LILO on 110KV Arawali Road-Niwali phata Line for 110KV Arawali TSS	CMD-78 dtd.18.01.2018	Karad	0.12	19-Jul-21
21	LILO on 220kV Uran-JNPTMUSS line at 220kV JNPT SEZ s/s	BR	Vashi	5.28	06-Jul-21
22	132kV Balapur- Warkhed SCDC line for M/s Viraj Solar Power	BR	Amravati	15.707	02-Jul-21
23	LILO on 132kV Latur- Renapur line for M/s Twenty One Sugars at village Malvati, Dist. -Latur.	BR MSETCL/DIR(OP)/ 1355 dt 27.07.2018	Aurangabad	8.524	17-Aug-21
24	132kV Jalkot to M/s T.S. Wind Power SCDC line	BR	Aurangabad	1.486	12-Aug-21
25	I) 132kV second ckt stringing on existing DC tower from Satara Road S/s to tapping point of Jihe Kathapur LIS S/s(12 km) ii) 132kV SCDC line from tapping point to Jihe Kathapur LIS stage - II S/s. (4.496 km)	Dir(Proj)/1083 dtd 27-07-2015	Karad	16.5	22-Sep-21
26	220kV underground cable from 400/220kV Hinjewadi-III to 220kV GIS Nxtra s/s.	BR	Pune	0.9	27-Nov-21

27	LILO on 100kV Kalwa - Mukund 1 line for 100kV Bridge datacentre s/s at Airoli.	BR	Vashi	0.02	20-Nov-21
28	2nd ckt stringing of 132 KV Akkalkot -Waghdari line.	BR	Pune	26.3	26-Nov-21
29	LILO on 220kV Kharghar-Borivali line ckt I through underground cable for extending power supply to M/s CTRLS.	BR	Vashi	0.75	10-Dec-21
30	LILO on 100 KV Kandalgaon - Mhasala line to 100 KV Mangaon TSS	Dir (Ops)-1447 dt. 19.09.2017	Vashi	1.2	08-Dec-21
31	132kV SCDC line from 220kV Kurkumbh to M/s Maharashtra Cement plant	BR	Pune	11.5	01-Dec-21
32	132 KV DC line from 132 KV Niwali S/s to 132 KV Ausa Road TSS	CMD-1894 Dt. 09.05.2019	Aurangabad	23.4	31-Dec-21
33	LILO on 220kV Kamba- Kolshet line at 220kV Kharbau TSS	CMD-905 dtd. 31.08.2017	Vashi	0.414	20-Jan-22
34	LILO on one Ckt of 132KV Kankawali-Talebazar-Kharepatan Line at 132KV Kankawali TSS	CMD-78 dt. 18.01.2018	Karad	0.4	31-Jan-22
			Total Ckm	**646.803**	

Reply to the Standalone Statutory Auditors qualification on the Standalone Audit Report for the Financial Year 2021-22 (Refer Basis for qualified opinion in Audit Report.)

Sr. No.	Statutory Auditors Opinion	MSETCL's Response
	Qualified Opinion	
1	We have audited the accompanying standalone Ind AS financial statements of Maharashtra State Electricity Transmission Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").	Factual
2	In our opinion and to the best of our information and according to the explanations given to us, subject to the deficiencies noted in internal controls pertaining to preparation and presentation of the Standalone Financial Statements, coupled with non-compliances and audit observations noted in "Basis for Qualified Opinion" paragraph below, the aggregate impact whereof is not quantified/ascertained, the Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.	Factual
	Basis for Qualified Opinion	
3	We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements except for the items noted below that form the basis for our qualified opinion.	
3.1	Attention is invited to Note no. 44 of Standalone Financial Statements giving details about accumulated Delayed Payment Charges ("DPC") as at 31 March 2022 amounting to Rs. 75,476.11 Lakhs (with reference to 1 distribution licensee) pending to be received out of Rs. 85,499 Lakhs (with reference to 3 distribution licensees) recognised as income under the head 'Other Income' during the Financial Year ("FY") 2016-17. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ("the MERC"), wherein the MERC had reduced the Aggregate Revenue Requirement ("ARR") of the Company for FY 2015-16 by Rs. 85,499 Lakhs and classifying it as 'Non-Tariff Income'. Data/ details pertaining to the certainty over the realisability of such income (i.e. Trade Receivables) are not available with the Company. The accounting of such DPC as 'Other Income' in FY 2016-17 is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in Note No. 2.15 states that "Other Income is recognized on accrual basis except when ultimate realisation of such income is uncertain". Had the Company not recognized such income of Rs.	The fact has been disclosed in the Financial Statements vide Note No 44. STU raises the "Monthly Transmission Tarrif Charges" (MTC) Invoice to Distribution Licencees including the accumulated amount of DPC.

	85,499 Lakhs in the FY 2016-17, its balance of the Retained Earnings in the Reserves & Surplus would have been lesser by that amount and balance of Trade Receivables would have been lesser by Rs. 75,476.11 Lakhs.	
3.2	The Company's system/ processes to ascertain provision towards leave encashment and gratuity, based on actuarial valuation needs to be strengthened, as the accuracy of data of leaves and gratuity generated from the system and furnished to the actuary for valuation could not be verified in absence of proper data. Accordingly, we are unable to comment upon the adequacy or otherwise of the actuarial valuation made in respect of leave encashment and gratuity valuations in the books of accounts, effect whereof has not been ascertained.	HR Deptt , CO has issued directions to all the offices to prepare data of fresh leave quota on the basis of Service Book updations and upload the same in SAP/ERP HR Module, which would resolve the issue of inadequacy .
3.3	Party-wise break up of trade receivables with ageing is not readily available from the system. The details of Trade receivables prepared manually contained several errors and inaccuracies. Hence it could not be fully verified during the course of audit; accordingly, we are unable to comment upon non-provision based on simplified version of Expected Credit Loss ("ECL"). Further details/ breakup/ confirmations of Trade receivables aggregating to Rs. 3,19,197.80 Lakhs (net of provision for doubtful debts) sought for, were not made available for verification during the course of audit. Consequential impact of ascertainment of the realisability from these Trade Receivables and resultant provision, if any, for bad and doubtful debts on the Standalone Financial Statements has not been ascertained. Accordingly, we are unable to comment upon adequacy of amounts disclosed under Note No. 33 relating to ageing of Trade receivables to the Standalone Financial Statements.	The details regarding ageing of trade receivables were provided in excel utility. The Company appropriates the money received from Distribution Utilities towards the clearance of old dues first, hence, the outstanding dues pertains to latest invoices. Accordingly, ageing analysis were provided during the course of audit.
3.4	In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipment's ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on electronic spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC regulations. As a result, several instances of charging excess depreciation on assets were noted. Further, in several cases the deprecation is manually calculated and provided at Head office for the assets located in Zone or Region for the reason of mismatches in dates of capitalization, critical spare items capitalization, etc. In absence of complete data/ details of such instances out of numerous line items of PPE, the combined impact of such erroneous depreciation is not ascertained.	The Company has appropriately done adjustment of deemed cost for PPE as on 01.04.2015.The consideration of net block as deemed cost is done as per guidance note on Ind AS Schedule II by ICAI read with Ind AS 101 and appropriate disclosures have been made in the financial statements. Depreciation as per Ind AS on amount as per orginal cost method or as per carrying cost method comes to the same figure, as in SAP-ERP depreciation will be calculated on the original amount, also the residual value of 10% as per MERC regulations has been considered in the SAP-ERP for each assets. It is only for disclosure purpose in the financial statements. Company cannot change its present fixed assets register and fixed assets schedule in the system. In respect to depreciation for assets whose date of commissioning is prior to April 2021, the same needs to be manually calculated and entered in SAP/ERP System. This is due to late receipt of Work Completion Report (WCR) .However, procedures are being deviced for the generation of WCR through SAP/ERP itself, which would elimate the manual depreciation entry in future.

	Without prejudice to the generality of the above, based on the scrutiny of available details of Asset register (ar02) during the course of our audit, it was noted that several items of PPE whose useful life has fully exhausted totalling Rs. 4,39,956.45 Lakhs (Gross Book Value) and Rs. 3,72,701.75 Lakhs (Accumulated Depreciation) are part of said register, resulting in overstatement of the value of PPE to that extent subject to discrepancies as may be noted if physical verification programme is carried out by the Company.	MSETCL uses the Assets , if in working condition, even if the useful life of the asset as per technical norms is exhausted. However, instructions have been issued by Trans O&M Section for conducting physical verification of Fixed Assets.
3.5	The Company has not maintained adequate details pertaining to items/ components giving rise to Deferred Tax Assets/ Liabilities ("DTA"/ "DTL"). In absence whereof the recognition, reversals and disclosure of the DTA/ DTL not being complete and correct, the impact thereof on the Standalone Financial Statements is not ascertained.	The Company has provided for the impact due to treatment of Inventory (Standby Equipments) as Property, Plant and Equipments as per Ind AS 16 in the Financials. However, the same is done manually as configuration of this treatment in SAP/ERP is under process. However, as per the MERC Amended Capex Regulation , 2022, the policy of treatement of standby equipments as Property, Plant and Equipment has been revised and all the restrospective effects given have been reversed including the Deferred tax to be in-line with the Capex Regulation. All other Deferred Tax items are computed as per the applicable standard.
3.6	Based on the scrutiny of available details of Freehold Land under PPE, it was noticed that in the past, several items of Leasehold Land have been clubbed under Freehold Land and vice versa; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/ details of such instances, the impact thereof on Standalone Financial Statements is not ascertained.	Considering the numerous number of agreements that too from MSEB period, the task of identifying leasehold land clubbed under freehold land is difficult, however, the process of identifying the same has been initiated in the Field Units
3.7	It is noticed during the course of our audit that 66KV substations/ transmission lines having Gross Book Value amounting to Rs. 14,093.18 Lakhs and Accumulated Depreciation amounting to Rs. 10,380.01 Lakhs as at 31 March 2022 are not in use for the operations of the Company. Pending testing for impairment of the same, we are unable to comment upon the carrying value of such assets in the books of accounts.	The 66KV lines and S/S are in operation, however, for ease, the operation and maintenance of these assets have been entrusted on MSEDCL by handing over the said assets. Trans O&M Section has issued guidelines to field Units for the procedures to be followed for decommissioning of 66 KV Assets.

3.8	It is observed from the SAP generated report (4.4 – Capex Report) by the Company, negative capital expenditure is charged to (reduced from) some schemes amounting to Rs. 3031.99 Lakhs for which no plausible explanation could be provided. To that extent, Assets under Construction ('AUC')/ Capital Work in Progress ("CWIP") in the Balance Sheet is understated. Further, there is no movement in some AUC line items since last more than three years, indications of impairment if any have not been tested by the Company for making appropriate provisions, impact thereof on the Standalone Financial Statements cannot be commented upon.	Field Units has adjusted the negative PV impact against the CWIP incurred. However, the adjustment is done in current year for previous years too, hence the capex during the year shows negative amounts. Necessary instruction have been provided to field units to show adjustment is done from the Fixed Assets amounts, then during the year capex would show NIL or Positive Amounts.
3.9	With effect from 01 April 2019, the Ind AS 116 "Leases" became effective. The Company has adopted the new standard with modified approach and recognized asset in the form of 'Right to Use' (representing its right to use the leased asset over the lease term) and also liability towards present value of the balance of future lease payments for the leases. However, due to non-availability of lease documents and other records relating to several properties taken under lease, the Company is not able to identify and recognise the 'Right to Use' of said leases, hence no treatment was given in terms of provisions of Ind AS 116 for such leased assets. Impact thereof on the Standalone Financial Statements has not been ascertained.	As discussed with the Ind AS Consultant, the leasehold land which is taken from GoM / CIDCO / MIDC are to be shown as Right Of Use Assets. However no lease liability is to be created as discussed in the Ind AS Technical Facilitation Group (ITFG), as there is no lease liability accruing on such assets.
3.10	The policy about inventory valuation of the Company (Note No. 2.14) states that inventories are valued at lower of cost or net realizable value ("NRV") but in course of our audit it is noticed that the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Standalone Financial Statements is not ascertained.	The Core business of MSETCL is construction and maintenance of substation and lines. The inventory procured is of specific nature and is not for sale in the market. Moreover, the uniqueness of the business process of MSETCL makes the derival of NRV difficult.
3.10.1	The Company does not have laid down policy and procedures pertaining to materials/equipment's given to vendors/third parties on loan basis, the details of such items were asked for from all the seven zones of the Company. However, the same were not received from any zone for our verification. In absence of complete details and monitoring of such items we are unable to comment on impact thereof on the Standalone Financial Statements.	MSETCL Project units provide the spare materials to the vendors for installation / commissioning of the Project on returnable basis by taking the approval of the Comptent Authority. The details are maintained manually through official registers. Trans O&M Section has issued instructions to all Field Units to maintain all the relevant records in such cases and provide the same to Auditors for verification.
3.10.2	Further, as observed the transformers are sent for repair by zonal offices to vendors without appropriately monitoring the records relating to such despatch and its return including matters pertaining to qualitative aspects of such repairs. In absence of necessary details from all the zones of such items we are unable to comment on impact thereof on the Standalone Financial Statements.	This is to inform that Schedule of Rates (SOR) for repairs and Overhauling of EHV Power Transformers, ICTs and Reactors of various capacities & voltage rating are estimated in MSETCL for repairing works. Trans O&M Section has directed to field offices that care should be taken while issuing work

		order to the repairing agencies as per the following guidelines: 1) Work order shall be issued by taking into account the existing work load of repairer and preferably the nearest agency. 2) Priority shall be given to those repairer who can deliver the repaired Transformers/ICTs within schedule time. 3) Allocation to repairer agency shall be consented from Corporate Office only.
3.11	No inventory or data/ details/ description could be furnished for verification for the "Assets not in use – held for sale" (GL code 222010) amounting to Rs. 5,517.75 Lakhs being its Net book value; moreover, such assets are held at their carrying value instead of "lower of carrying value or net realizable value". Impact, if any, thereof on the Standalone Financial Statements has not been ascertained.	Trans O&M Section has issued guidelines for physical verification of assets is to be carried out to update the Fixed Asset Register. This activity would also cover the verification/reconciliation of Asset Not in use component. Necessary accounting entry would be passed after completion of the assignment.
3.12	The government Grants received by the Company amounting to Rs. 23,850 Lakhs in FY 2006-07 towards capital assets for specific projects out of which Rs. 14,683.83 Lakhs are deferred for recognition as revenue as at 31 March 2022. The details of these grants with specific assets there against and conditions to be satisfied for the same are not made available for our verification. Hence, correctness/completeness thereof pertaining to accounting in terms of provisions of Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance" cannot be commented upon.	The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy. The Assets wise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not asset wise. MSETCL bifurcated the grant based on the cost of the assets.
3.13	The Company does not collate, maintain and present the details of dues to its vendors registered under Micro, Small and Medium Enterprises ("MSME") Development Act, 2006 ("the MSMED Act"). Accordingly, the Company has not paid or accrued interests on payments or outstanding dues to the MSME Vendors as required under provisions of the MSMED Act. Impact, if any, thereof on the Standalone Financial Statements has not been ascertained.	The fact has been disclosed in the Financial Statements at Note no 41
3.14	The prior period items of income and expenses have been disclosed by the Company in Note No. 49 but the same have not been restated in the respective previous years as mandatorily required under Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Impact thereof on the Standalone Financial Statements has not been ascertained.	The fact has been disclosed in the Financial Statements at Note no 49
3.15	Pursuant to Central Electricity Regulatory Commission ("CERC") order dated 19 December 2017 pertaining to FY 2014-15, the Company has recognised an amount of Rs. 2,657.44 Lakhs and Rs. 599 Lakhs as income during the FY 21-22 and FY 2020-21 respectively as against receipt of Rs. 10,789.41 Lakhs, which until FY 2019-20 was not accrued fully as income. Impact of the said order for earlier periods remains to be given in the books of account, as a result of which,	As per CERC order in Petition No. 256/TT/2013 dated 18.05.2015 in which tariff for FY 2013-14 was Rs. 77.10 Crs (per year) which is revised by CERC order in Petition No.

	profit in Standalone Statement of Profit and Loss would be lower and Advance from Customer would be higher by the amount which has not been ascertained.	173/TT/2016 dated 19.12.2017 for FY 2014-15 Rs. 5.99 Crs (per year). However even after revised order by CERC payment made by PGCIL was on the basis of earlier order till Sept 2019. After that there was no receipt by PGCIL.
3.16	The deposits from customers towards Outright Contracts ('ORC') amounted to Rs. 1,23,145.85 Lakhs as at 31 March 2022. The company recognises its supervision fees upfront as income on receipt of deposits and not as and when supervision services are provided, which is contrary to the provisions of Ind AS 115 "Revenue from Contracts with Customers".	As per Para 35 of Ind AS 115 An entity transfers control of a goods or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts. Moreover, the supervision charges collected are of non refundale nature, hence the same are treated as Revenue Nature upfront.
3.16.1	Further, attention is invited to Note No. 2.19(c) of the Standalone Financial Statements on "Accounting of Contributions received from Consumers against Outright Right Works (ORC Schemes)". As informed during the course of audit, there is specific policy on ORC assets/ liabilities and income thereon, but the same was not observed to have been followed by the Company, impact of which could not be ascertained in absence of relevant data/ details.	MSETCL has specific policy on the treatment of amounts received agaisnt ORC schemes refered vide Note No 2.19 (C). However, several clarificatory issues are faced in Field Units , which needs that the policy be reframed with proper guidelines. The necessary upgradation of the policy would be done with the approval of the Competent Authority by Trans O&M Section.

<table>
<tr><td rowspan="17">3.17</td><td colspan="3">The basis, quantum and completeness could not be ascertained, in course of our audit, in the absence of required data/ details relating to the following items of revenue recognised during the year under report:</td><td></td></tr>
<tr><td>GL Code</td><td>GL Description</td><td>FY 21-22 (Rs. In Lakhs)</td><td></td></tr>
<tr><td>300040</td><td>Revenue Towards Short term open Access Charges</td><td>(934)</td><td rowspan="14">It is to state that MSETCL provided all the available details to Statutory Auditor for verification and will take all possible efforts to remove these GLs from the list of qualification in Audit Report of FY 2022-23.</td></tr>
<tr><td>300070</td><td>Rescheduling Charges</td><td>(643)</td></tr>
<tr><td>310010</td><td>Interest from Staff loans and advances</td><td>(9)</td></tr>
<tr><td>310020</td><td>Interest from investment in bank deposits</td><td>(1,555)</td></tr>
<tr><td>325010</td><td>Rental from staff quarters</td><td>(45)</td></tr>
<tr><td>330010</td><td>Sale of scrap (no cost assigned for scrap)</td><td>(913)</td></tr>
<tr><td>330020</td><td>Sale of Scrap Asset</td><td>(105)</td></tr>
<tr><td>335010</td><td>Gain/Loss on sale of Fixed Assets</td><td>(1,219)</td></tr>
<tr><td>350020</td><td>Sundry Credit Balances Written Back</td><td>(1140)</td></tr>
<tr><td>380041</td><td>Other Miscellaneous Receipts (Non-GST)</td><td>(4,285)</td></tr>
<tr><td>380060</td><td>Liquidated Damages Recovered from Contractor</td><td>(2,052)</td></tr>
<tr><td>380100</td><td>Bay Maintenance / O&M Charges received</td><td>(740)</td></tr>
<tr><td>380120</td><td>Amortisation of Government Grant Received</td><td>(1,724)</td></tr>
<tr><td>380141</td><td>Remittance of Distribution Licensees collected from Parties</td><td>(3,075)</td></tr>
<tr><td>300080</td><td>Revenue from Additional Transmission and Regulatory</td><td>(11,212)</td><td>As per the directives received from MERC the amount received against ATC is already adjusted in regular MTC billing of TSU's who had paid the ATC.</td></tr>
<tr><td></td><td>370010</td><td>Short Term Open Access Charges</td><td>(2,309)</td><td>STOA Consumers deposits the charges in the bank account of SLDC and the same is repatriated to HO. The reconciliation takes place at a later date after receipt of details from STOA</td></tr>
<tr><td>3.18</td><td colspan="3">Attention is invited to Note No. 38 of the Standalone Financial Statements giving details about "Contingent Liabilities and Contingent Assets", full details including the claims/demands pertain to taxes as required under the statute are not accurately maintained. Hence, it could not be fully verified during the course of audit. Accordingly, we are unable to comment upon adequacy of provisions based on details made available to us.</td><td>Necessary template has been developed in SAP/ERP System, wherein all the details well be made available for verification.</td></tr>
<tr><td>3.19</td><td colspan="3">The amounts (in excess of Rs. 1 Lakh, other than statutory dues accounts) remaining and recognized in the following GL heads/ codes are subject to confirmation and reconciliation. The necessary data/ details pertaining to following were not made available during the course of audit for verification:</td><td></td></tr>
<tr><td></td><td>GL Code</td><td>Name of Account heads</td><td>FY 21-22
(Rs. In Lakhs)
Asset/Expenses
(Liability/Income)</td><td></td></tr>
<tr><td></td><td>100050</td><td>Grants towards cost of Capital Assets</td><td>(14,684)</td><td>The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy. The Assetswise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not assetwise. MSETCL bifurcated the grant based on the cost of the assets.</td></tr>
</table>

	GL Code	Name of Account heads	F.Y. 21-22 (Rs. In Lakhs) Asset/Expenses (Liability/Income)	
	100054	Grant in Aid from GOI	(469)	The GoI has parted funds to PGCIL for the establishment of Renewable Energy Management Center (REMC) under Green Energy Corridor at 11 locations. On installation, testing and commissioning for Maharashtra Region the same is handed over to MSLDC for operation and maintenance purpose.
	101070	Reserve for LDCD Funds	(4,284)	refer Note No 13 (C) in the Financial Statements.
	101060	Scholarship, NSC, Cash prize, Death Assistance	2	Necessary adjustment of the amount would be done at field units based on its current status
	122010	Deferred Tax Liability	(2,46,674)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
	123030	Security Deposits	(7,983)	to be reconciled with field units based on its current status
	123040	Security deposits of jobs/works	(7,353)	to be reconciled with field units based on its current status
	123050	Earnest Money Deposits from Vendors	(1,200)	to be reconciled with field units based on its current status
	123060	Retention money of Vendor	(77,386)	to be reconciled with field units based on its current status
	123061	Risk & Cost Adjustments	(5,939)	to be reconciled with field units based on its current status
	123070	Misc. Deposits from Vender	(22)	to be reconciled with field units based on its current status
	123090	Advances from Customer	(65)	to be reconciled with field units based on its current status
	123100	Other Deposits from Consumers- O. R. C. Deposits	(1,23,146)	Necessary adjustment of the deposit agianst the completed asset is under process at field units based on its current status
	123110	GL for liquidity charges from vendor	(12,126)	to be reconciled with field units based on its current status
	130010	GR / IR Clearing Account	(6,583)	to be reconciled with field units based on its current status
	130020	EMD Dummy entry	(222)	to be reconciled with field units based on its current status
	131010	Sundry Creditors Payable Domestic (other than	(18,461)	to be reconciled with field units based on its current status
	133010	Sundry Creditors - Inter Company	(4,240)	to be reconciled with field units based on its current status
	134010	Sundry Creditors Employees	(12)	to be reconciled with field units based on its current status
	140060	Miscellaneous Deposits from Employee	(37)	to be reconciled with field units based on its current status
	140100	Income tax deducted at source TDS payable salaries	(207)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
	142010	Provision for Income –Tax	(3,51,571)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.

GL Code	Name of Account heads	FY 21-22 (Rs. In Lakhs) Asset/Expenses (Liability/Income)	
143030	TDS PAYABLE CONTRACTOR 194C	(121)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
143031	TDS PAYABLE ON OSL PROVISION	(29)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
143060	TDS PAYABLE PROF. FEE / TECH SERVICES 194J	(9)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
146010	Deduction of Labour Cess Amt	(48)	to be reconciled with field units based on its current status
150010	Provision for Capital Works	(12,075)	to be reconciled with field units based on its current status
150011	Provision for TDS against GR/IR	15	to be reconciled with field units based on its current status
150030	Provision for Expenses – Others	(3,063)	to be reconciled with field units based on its current status
150040	Provision for Expenses – Employees	(3,884)	to be reconciled with field units based on its current status
150070	Provision for loss pending investigation	(723)	to be reconciled with field units based on its current status
150130	Provision for Interest on Late Payment of Service	(264)	to be reconciled with field units based on its current status
150140	Provision for Tree/Crop/Land Compensation	(1,429)	to be reconciled with field units based on its current status
160010	Liability towards staff welfare Fund with Board	(667)	to be reconciled with field units based on its current status
160020	Board of Trustees P.F. & Final Settlement	(1,922)	to be reconciled with field units based on its current status
160030	MSEB Employees Dependent Welfare Trust A/c	(6)	to be reconciled with field units based on its current status
165010	Stale Cheques	(406)	to be reconciled with field units based on its current status
170010	Designated Current Account for third party	(6,575)	MSETCL has disclosed the amount pertaining to Designated Current Account showing liability towards Third Party for appropriate recognition purpose. The same status has also been adopted by PoSoCo in its financial statements.
209670	SLDC Hardware	425	The GoI has parted funds to PGCIL for the establishment of Renewable Energy Management Center (REMC) under Green Energy Corridor at 11 locations. On installation, testing and commissioning for Maharashtra Region the assets are handed over to MSLDC for operation and maintenance purpose.
209680	SLDC Telephone Equipment	51	
209690	SLDC Spare	45	
223030	Expense on Survey for Study for not sanctioned projects	247	to be reconciled with field units based on its current status
223040	Pre-Operating Expenses for land acquisition on Unsanctioned Schemes	557	to be reconciled with field units based on its current status
230050	AUC Cost of Land Development on Leasehold Land -Volt.G1	56	to be reconciled with field units based on its current status

	GL Code	Name of Account heads	FY 21-22 (Rs. In Lakhs) Asset/Expenses (Liability/Income)	
	230060	AUC Cost of Land Dev on Leasehold Land -Volt.H2	50	to be reconciled with field units based on its current status
	237010	AUC Others	25,369	to be reconciled with field units based on its current status
	237020	AUC LE	3,338	to be reconciled with field units based on its current status
	237030	AUC ORC	18,311	to be reconciled with field units based on its current status
	237060	CWIP (Government Grant Impact)	2,319	to be reconciled with field units based on its current status
	240100	Fixed Deposit with bank	22,760	to be reconciled with field units based on its current status
	255020	Loss due to Material pending investigation	168	to be reconciled with field units based on its current status
	255040	MASA Stock (Physical Verification of Inventor	(114)	to be reconciled with field units based on its current status
	256010	Obsolete materials stock (including scrap)	615	to be reconciled with field units based on its current status
	260011	STU Sundry debtors for Trans. Charges	2,21,596	to be reconciled with field units based on its current status
	260031	STU Sundry Debtors for STOA / SLDC Charges	1,207	to be reconciled with field units based on its current status
	260040	Sundry Debtors – Others	92,796	to be reconciled with field units based on its current status
	260050	TDS Certificate Receivable	10	to be reconciled with field units based on its current status
	260060	Sundry Debtors - Inter Unit Account	2,078	to be reconciled with field units based on its current status
	260080	TDS Receivable - Transmission Charges	29,105	to be reconciled with field units based on its current status
	285310	MSPC UI Settlement Op. A/c (FBSM)	6,575	MSETCL has disclosed the amount pertaining to Designated Current Account showing liability towards Third Party for appropriate recognition purpose. The same status has also been adopted by PoSoCo in its financial statements.
	290010	Advances to Contractors /Suppliers - O&M	2,306	to be reconciled with field units based on its current status
	290020	Capital Advance for Projects	542	to be reconciled with field units based on its current status
	292050	Loans & Advances to Staff -- Computer Advance	104	to be reconciled with field units based on its current status
	292060	Loans & Advances to Staff- Int. Free Travelling Allowance	8	to be reconciled with field units based on its current status
	292080	Loans & Advances to Staff- Int. Free Festival Advance	155	to be reconciled with field units based on its current status
	292120	Advance against Gratuity to Staff	8	to be reconciled with field units based on its current status
	293010	Advance Income Tax	2,58,071	to be reconciled with field units based on its current status
	293011	TDS Certificate Received	264	to be reconciled with field units based on its current status
	293013	TCS Payable u/S 206C (1H)	9	to be reconciled with field units based on its current status

	GL Code	Name of Account heads	FY 21-22 (Rs. In Lakhs) Asset/Expenses (Liability/Income)	
	293014	TDS receivable -sec 194O	28	to be reconciled with field units based on its current status
	293040	Income Tax Deducted at source - Other Recipients	63,384	to be reconciled with field units based on its current status
	293050	Miscellaneous Loans & Advances	6	to be reconciled with field units based on its current status
	293060	Self-Assessment Tax- Income tax	31,972	to be reconciled with field units based on its current status
	294010	Income Accrued and Due on Fund Investments	304	to be reconciled with field units based on its current status
	294030	Income Accrued but not Due on Staff Loans &	27	to be reconciled with field units based on its current status
	295010	Amount Recoverable from Employee	7	to be reconciled with field units based on its current status
	295030	Training Fees Paid To ITI To Be Recovered from Dependent of Deceased Employees	24	to be reconciled with field units based on its current status
	296030	Miscellaneous Amount received from SEB Government Departments Local & Private Bodies	709	to be reconciled with field units based on its current status
	296050	Expenses recovered from Suppliers	115	to be reconciled with field units based on its current status
	296060	Expenses recovered from Contractors	155	to be reconciled with field units based on its current status
	296061	Receivables considered Doubtful (RDD)	11,614	to be reconciled with field units based on its current status
	297010	Deposit With Telephone Authorities	19	to be reconciled with field units based on its current status
	297020	Other Deposits	3,976	to be reconciled with field units based on its current status
	400010	Repairs & Maintenance (All Transmission)	38,235	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	400050	Material Consumption – Project	18	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	430110	Outsource Personnel Salary	10,417	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	440090	Upkeep of office	1,094	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	440100	Security Measures - contract basis	10,233	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	440140	Commission on Sale of Scrap	72	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	446010	Sundry debit Balance written off	430	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	447020	Loss to fixed asset/stock on account of flood	9	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
The effects of adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write-back thereof is not ascertained. Further, in absence of necessary data/ details, the bifurcation of items of assets/ liabilities under 'Current' or 'Non-current' head could not be accurately verified.				

Sr. No.	Statutory Auditors Opinion	MSETCL's Response
	Other Information	
4	The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.	Factual
5	Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.	Factual
6	In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.	Factual
	Management's responsibility for the Standalone Financial Statements	
7	The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.	Factual
8	In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.	Factual
9	The Board of Directors are also responsible for overseeing the Company's financial reporting process.	Factual
	Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements	
10	Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.	Factual
11	As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:	Factual

11.1	Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.	Factual
11.2	Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.	Factual
11.3	Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.	Factual
11.4	Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.	Factual
11.5	Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.	Factual
12	We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.	Factual
13	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	Factual
	Report on Other Legal and Regulatory Requirements	
14	As required by the 'Directions and sub directions' issued by office of the Principal Accountant General-III, Maharashtra in terms of Section 143(5) of the Act, we give in the "Annexure A" a statement on the directions and sub-directions.	Appropriate Responses are given on relevant points in the Annexure
15	As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India ("the CG") in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.	Appropriate Responses are given on relevant points in the Annexure
16	As required by section 143(3) of the Act, we report that:	
16.1	We have sought and obtained, except as noted in para 3 above, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.	Factual
16.2	In our opinion, except as noted in para 3 above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.	Factual

16.3	The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.	Factual
16.4	Except as noted in para 3 above, in our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act.	Factual
16.5	In view of exemption given vide notification no. 463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of section 2(45) of the Act, provisions of section 164(2) of the Act pertaining to disqualification of Directors, are not applicable to the Company.	Factual
16.6	With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".	Appropriate Responses are given on relevant points in the Annexure
16.7	In view of exemption given vide notification no. 463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of Section 2(45) of the Act, provisions of section 197 of the Act pertaining to managerial remuneration, are not applicable to the Company.	Factual
17	With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	Factual
(i)	Except as noted in para 3.18 above, the Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone Financial Statements – Refer Note no. 38 to the Standalone Financial Statements.	Factual
(ii)	The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.	Factual
(iii)	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	Factual
(iv)	The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.	Factual
(v)	The management has also represented that no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.	Factual
(vi)	In our opinion and according to the information and explanations given to us, the Company has not declared or paid any dividend during the year.	Factual

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of the Maharashtra State Electricity Transmission Company Limited ("MSETCL") for the year ended 31 March 2022

(Referred to in paragraph 14 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Statutory Auditors Opinion			MSETCL's Response
Sr. No.	**Directions / Sub directions**	**Auditor's Comment**	
Directions under sub-section (5) of section 143 of the Companies Act, 2013			
Our report/findings on directions and sub-direction of CAG should be read in conjunction with our statutory audit report of even date on the Standalone Financial Statements of the Company for the year ended 31 March 2022, more particularly paragraph 1, 2 and 3 thereof.			
1	**To report whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**	Yes, the Company has an ERP i.e. SAP system to process all the accounting transactions through IT system.	Factual
		In course of our audit, it was noticed that invoices generated by the Company's Accounting unit (profit center) and depreciation calculations are manually worked out and then fed into the system. [Please refer para 3.4 of our audit report dated 17 October, 2022 on the stand alone financial statements of the Company]	In respect to depreciation for assets whose date of commissioning is prior to April 2021, the same needs to be manually calculated and entered in SAP/ERP System. This is due to late receipt of Work Completion Report (WCR) .However, procedures are being deviced for the generation of WCR through SAP/ERP itself, which would elimate the manual depreciation entry in future.
2	**To report whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?**	No restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan	Factual
3	**Whether funds (grants/subsidy etc.) received/receivable for the specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**	Please refer para 3.12 of our audit report dated 17 October, 2022 mentioning that details of grants received in FY 2006-07and covenants etc are not accurately maintained by the Company. Also refer para 3.17 (GL code 380120) and para 3.19 (GL code 100050, 100054, 237060) of our said audit report. Further, please refer note No. 30 to the Standalone Financial Statements for the details of grants and the status thereof.	The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy in FY 2006-07 to FY 2008-09. The Assetswise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not assetwise. MSETCL bifurcated the grant based on the cost of the assets.

<table>
<tr><th colspan="4">Sub-directions under sub-section (5) of section 143 of the Companies Act, 2013</th></tr>
<tr><td>(I)</td><td>Whether there is appropriate classification of Inventory with value such as Scrap, Obsolete Material etc.</td><td>Inventory has been classified under different GL Codes as under:
<table>
<tr><th>GL Codes</th><th>Description of Inventory</th><th>As at 31 March 2022 (Rs. In Lakhs)</th></tr>
<tr><td>250010</td><td>Steel</td><td>1051.72</td></tr>
<tr><td>250030</td><td>Transformers</td><td>7503.04</td></tr>
<tr><td>250040</td><td>Metering Equipment & substation Equipment</td><td>9112.08</td></tr>
<tr><td>250050</td><td>Cables & Conductors</td><td>7218.31</td></tr>
<tr><td>250080</td><td>Spares</td><td>1076.84</td></tr>
<tr><td>280090</td><td>Others</td><td>2209.18</td></tr>
<tr><td>255020</td><td>Loss due to Material pending investigation</td><td>167.76</td></tr>
<tr><td>255040</td><td>MASA Stock rectification</td><td>-114.34</td></tr>
<tr><td>256010</td><td>Obsolete Material Stock (including scrap)</td><td>614.85</td></tr>
</table>
W.r.t. carrying value of the items of inventories, please refer statutory audit report of even date on the Standalone Financial Statements of the Company, particularly para 3.10 and 3.19.</td><td>Factual</td></tr>
<tr><td>(II)</td><td>Negative balances under “Advances to Contract” may be analyzed and commented with reasons and impact on financial statements</td><td>Negative balances under “Advance to Contractor” has been observed and list of such vendor code along with its balance as on 31 March 2022 is enclosed herewith in Appendix- I.

As regards its impact on financial statement we are unable to comment on the same. Please refer to our ‘Basis for Qualified Opinion’ under para 3.19 of the statutory audit report of even date on the Standalone Financial Statements of the Company.</td><td>Appropriate Responses are given on relevant points</td></tr>
<tr><td>(III)</td><td>Whether Profit / Loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company?</td><td>Yes, except impact, if any, arising out of matters stated under para 3 of statutory audit report of even date on the Standalone Financial Statements.</td><td>Factual</td></tr>
<tr><td>(IV)</td><td>Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.</td><td>We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the transmission network of the company is given in the table below:
<table>
<tr><th>Voltage Level</th><th>EHV Substation</th><th>Transformation Capacity (MVA)</th><th>EHV Lines (CKT KM.)</th></tr>
<tr><td>765 KV</td><td>1</td><td>3,000.00</td><td>0</td></tr>
<tr><td>500KV HVDC</td><td>2</td><td>3,582.00</td><td>1,504.00</td></tr>
<tr><td>400KV</td><td>32</td><td>32,733.00</td><td>8,440.00</td></tr>
<tr><td>220KV</td><td>241</td><td>58,240.00</td><td>18,973.00</td></tr>
<tr><td>132KV</td><td>346</td><td>30,555.00</td><td>17,832.00</td></tr>
<tr><td>110KV</td><td>38</td><td>2,480.00</td><td>1,764.00</td></tr>
<tr><td>100KV</td><td>39</td><td>2,823.00</td><td>705</td></tr>
<tr><td>66KV</td><td>7</td><td>170.5</td><td>594.8</td></tr>
<tr><td>Total</td><td>706</td><td>130595</td><td>49166.43</td></tr>
</table>
As further informed by the management of the Company, present transmission system availability and losses as against MERC benchmark are narrated as under:</td><td>Factual</td></tr>
</table>

<table>
<tr>
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<td>
<table>
<tr><td colspan="3">HVAC System (MERC Benchmark 98%)</td></tr>
<tr><td>Year</td><td>2021-22</td><td>2020-21</td></tr>
<tr><td>Availability</td><td>99.67%</td><td>99.67%</td></tr>
<tr><td colspan="3">HVDC System (MERC Benchmark 95%)</td></tr>
<tr><td>Year</td><td>2021-22</td><td>2020-21</td></tr>
<tr><td>Availability</td><td>**94.27%</td><td>*93.64%</td></tr>
</table>
* Emergency Outage of 983.49 hours availed on HVDC Pole 2 to attend the major problem of smoothing Reactor.
** Annual Outage of 410 hours availed on HVDC Pole 1&2. Emergency Outage of 156 hours availed on HVDC Pole 2 to attend the oil leakage of smoothing Reactor. 253 hours for Pole-2 Converter transformer replacement.
</td>
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</tr>
<tr>
<td>(V)</td>
<td>How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?</td>
<td>
We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the information in this regard is furnished as under.
The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the FY 2021-22 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:
<table>
<tr><th>Intra State Transmission System (In. STS) Grid Loss for FY 2021-22</th><th>Energy Input Intra STS</th><th>Energy Output Intra STS</th><th>Transmission Loss</th></tr>
<tr><td>Month</td><td>(In Million Units)</td><td>(In Million Units)</td><td>(In %)</td></tr>
<tr><td>Apr - 21</td><td>15446.81</td><td>14955.5</td><td>3.18%</td></tr>
<tr><td>May - 21</td><td>14348.88</td><td>13937.65</td><td>2.87%</td></tr>
<tr><td>Jun - 21</td><td>12728.66</td><td>12312.08</td><td>3.27%</td></tr>
<tr><td>Jul - 21</td><td>13057.91</td><td>12618.6</td><td>3.36%</td></tr>
<tr><td>Aug - 21</td><td>13914.13</td><td>13441.19</td><td>3.40%</td></tr>
<tr><td>Sep - 21</td><td>12587.28</td><td>12185.7</td><td>3.19%</td></tr>
<tr><td>Oct - 21</td><td>13669.94</td><td>13244.03</td><td>3.12%</td></tr>
<tr><td>Nov - 21</td><td>13854.01</td><td>13435.25</td><td>3.02%</td></tr>
<tr><td>Dec - 21</td><td>13688.89</td><td>13277.93</td><td>3.00%</td></tr>
<tr><td>Jan - 22</td><td>14124.04</td><td>13671.25</td><td>3.21%</td></tr>
<tr><td>Feb - 22</td><td>13885.83</td><td>13417.56</td><td>3.37%</td></tr>
<tr><td>Mar - 22</td><td>17000.62</td><td>16434.69</td><td>3.33%</td></tr>
<tr><td>Total</td><td>168307</td><td>162931.43</td><td>3.19%</td></tr>
</table>
From perusal of the table above, it is evident that Transmission Losses incurred by MSETCL was 3.19% which is below the MERC's benchmark. The said loss in accounting parlance is to be termed as "Normal Loss" not requiring any separate accounting in the books of accounts.
</td>
<td>Factual</td>
</tr>
<tr>
<td>(VI)</td>
<td>Whether the assets have been constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the books of Accounts.</td>
<td>
Based on the information, explanation and representations received from the management of the Company, the details in this regard are as under:
As informed to us in course of our audit, the Company has divided its field operations amongst seven different zones in the state of Maharashtra. The major activity of the company is 'transmission of power'. Company also undertakes construction of small sub-stations, towers, plants etc., for the supply of power to other agencies on 'order specific basis'. Such works are identified in the
</td>
<td>Factual</td>
</tr>
</table>

company as 'ORC Works'. The Company charges 'Supervision Fees' over and above the expenditure incurred for executing such 'ORC Works' which gets recognized as the Company's revenue.

The details of ORC works across its different zones, as provided by the management, are given in the table below: -

Sr. No.	Zones	ORC works as at 01.04.21 (Nos.)	ORC works added during the year (Nos.)	ORC works completed during the year (Nos.)	Balance ORC works remaining as at 31.03.22 (Nos.)
1	Amravati	6	6	4	8
2	Aurangabad	13	8	6	15
3	Karad	7	1	0	8
4	Nagpur	21	10	5	26
5	Nasik	13	3	0	16
6	Pune	118	9	10	117
7	Vashi	72	2	1	73
Total		**250**	**39**	**26**	**263**

In course of execution of the ORC works, deposits are taken from parties for whom the Company performs/ executes such ORC works. Such ORC deposits are accounted for under GL Code 123100 which has an outstanding balance of Rs. 1,23,145.85 Lakhs (Previous Year Rs. 1,13,639.57 Lakhs). It was observed that old unreconciled balances are appearing in the said ledger for which details were not readily available with the respective profit centers within said seven zones of the Company.

However, it is to be noted that the ultimate ownership of such assets is with the Company only. The Assets are not handed over to the Other Agencies. The deposits collected from them is adjusted against the Assets constructed and a nominal value of Re. 1 is kept in the Asset Master for identification.

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

Execution of MEDA project is done in two ways. (i) Wherein the vendor gives the entire amount beforehand for execution of the project to the Company as ORC deposit and the Company after the execution of project reimburses 50% to the vendor and creates the asset of the same value and the remaining 50% is paid by MEDA to the vendor. (ii) Wherein the vendor itself executes the project and the Company subsequently pays 50% of the cost of project to the vendor and MEDA reimburses the remaining 50% to vendor.

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

		"Substantial amount of employee, admin and other costs are not being loaded to ORC works and for the appropriate calculations at the time of estimations." Please refer statutory audit report of even date on the Standalone Financial Statements of the Company, particularly para 3.16, 3.16.1 and 3.19 (GL Code-237030).	Necessary Circular for the recognition of impact of GEC to be loaded on ORC Schemes is under process for due approval of Competent Authority.
(VII)	**Examine whether the provisions of the Companies Act were followed w.r.t reporting and disclosures of CSR Activities.**	Please refer paragraph (xx) (a) and (b) of Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements.	Appropriate Responses are given on relevant points in the Annexure.
(VIII)	**Items contained in the inspection report of CAG in previous year and remaining open till the date of Balance Sheet under report**	Please refer **Appendix II-(a)** and **Appendix II-(b)** to this report for the list of such items.	Appropriate Responses are given on relevant points in the Annexure.
	Other Matters	Scope of internal audit needs to be enhanced to make the same commensurate with the size of the Company and its nature of the business.	Scope of Internal Auditor is being reframed to resolve any untouched matter.

Appendix I - Vendor Codes having Negative Balances

Statutory Auditors Opinion						
Vendor Code	**Balance as at 31 March 2022 (Rs. in Lakhs)**	**Vendor Code**	**Balance as at 31 March 2022 (Rs. in Lakhs)**	**Vendor Code**	**Balance as at 31 March 2022 (Rs. in Lakhs)**	**MSETCL's Response**
4000000014	-6.11	4000000133	-218.10	4000000425	-179.78	Necessary reconciliation work is under process for rectification of the above anomalies
4000000043	-95.40	4000000140	-46.20	4000000442	-3.52	
4000000052	-51.18	4000000167	-7.13	4000000450	-288.27	
4000000064	-53.56	4000000296	-59.91	4000000875	-97.66	
4000000066	-104.31	4000000359	-32.59	4000001067	-114.77	
4000000071	-0.71	4000000375	-64.80	4000001072	-0.53	
4000000093	-241.14	4000000389	-5.72	4000001895	-9.96	
4000000111	-24.96	4000000399	-137.95	4000002558	-0.25	
4000000112	-1.45	4000000400	-1.35	4000003697	-17.01	
4000000115	-128.24	4000000417	-36.43	4000004214	-9.31	
4000000117	-11.26	4000000424	-149.41			

Appendix II (a) - Items contained in the Inspection report of CAG for FY 2020-21 and remaining open as at 31 March 2022

Sr. No.	CAG's Comments	MSETCL's Reply	Auditors' Remarks
A. Comments on Financial Position			
Balance Sheet			
1. Property, Plant and Equipment (Note: 4.1) : Rs.16,224.71 Crore			
(a)	The Company had handed over most of the 66 kV sub-stations and lines to M/s MSEDCL between 1989 and 2021, however, these assets were not removed from the fixed assets as mandatorily required under Ind AS 16. This has resulted in - 1. Overstatement of gross block of fixed assets, accumulated depreciation and carrying cost to the extent of Rs. 140.24 Crore, Rs. 102.78 Crore and Rs. 37.46 Crore respectively. 2. Understatement of trade receivables from MSEDCL to the extent of Rs. 24.73 Crore. 3. Provision for expected loss of Rs. 12.731 Crore towards impairment loss not charged to profit and loss account; consequently, profit for the year was overstated to the same extent. 4. Carrying cost of the 174.24 kms of dismantled lines amounting to Rs. 0.80 Crore was not recognized as loss resulting in overstatement of profit for the year to the extent of Rs. 0.80 Crore.	The Company was having transmission network level ranging from 66 KV to 765 KV. In order to standardize the transmission level throughout Maharashtra, it was decided to abolish/eliminate 66 KV from the transmission network of the Company. Most of the abolished and decommissioned sub-stations and lines at 66 KV level were handed over to M/s MSEDCL and remaining sub-stations and lines would be handed over to MSEDCL or will be utilized by MSETCL for up-gradation work, if any, in near future after ensuring arrangement for feeding the existing consumers. With regard to the above facts the modalities of de-recognition, disposal and for determining consideration for such transfer of Assets of 66 KV level will be decided in consultation with technical team and necessary accounting entries will be passed accordingly in compliance with Ind AS-16. Necessary policy framing for the treatment of 66KV Assets in the books of MSETCL is under process.	The concerned matter is covered in Para 3.7 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2021-22". As further noticed, handing over of 66KV sub stations/ TL to MSEDCL is not supported or reflected by any written document or execution of transfer agreements.
(b)	This included unused assets with a gross block of Rs. 144.67 Crore, accumulated depreciation of Rs. 109.14 Crore and carrying cost of Rs. 35.53 Crore. The Company has not ascertained the indication of impairment of these assets. Loss on this account and consequent overstatement of profit could not be ascertained for want of details.	As per the details available in field units, the GL 222010 "Asset not in use" includes material/assets which are removed from Asset Register as the same are not in active use. This group consist of items which are sent for repair which may again be put to use after repairs and items of scrapable in nature which are to be disposed off after proper approval of the Competent Authority. These assets being not in active use are not offered for impairment test as items of scrapable nature would be disposed off with or without gain in the realizable value. The proper treatment can only be ascertained after the scraping procedure is completed. MSETCL would initiate a process of physical verification of Fixed Assets which would approppriately bifurcate the items appearing under "Asset not in Use" head as Scrapable or Reusable. Necessary accounting treatment in the Books of Accounts would be done after the said activity.	The concerned matter is covered in Para 3.11 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2021-22".

2	**Capital Work in Progress (Note 4.2):Rs.3,342.81 Crore**		
	The Company decided to dismantle 79 tower foundations and 69 towers constructed at a cost of Rs. 25.17 Crore in the Giant Metrewave Radio Telescope (GMRT) area of the National Centre for Radio Astrophysics (NCRA). As no future economic benefits can be derived from the same, cost of the towers should have been withdrawn from the WIP in terms Ind AS 16 and the Accounting Policy of the Company, which was not done. This has resulted in- a. Overstatement of Capital Work-in-progress to the extent of Rs. 25.17 crores. b. Understatement of expenses to the extent of Rs. 3.23 Crore being the irrecoverable cost of the civil foundation of towers and consequent overstatement of profits for the year to the extent of Rs. 3.23 Crore. c. Out of Rs. 21.94 Crore, cost of useable towers should have been taken into stock and the balance charged to profit and loss account. Financial impact on this account is not ascertainable for want of details.	With regard to 400KV Babhaleshwar – Kudus line, since the work of 79 foundations and 60 erections was executed by the agency, the above expenditure is booked and considered in the actual cost of Project. Since this had become an unidentified additional expense, considering this expenditure, the budget enhancement proposal was proposed and has got approved from Competent Authority. Further, considering the additional work of these abandoned towers, and their dismantling work, the quantity variation proposal was proposed and has got approved from Competent Authority. As per the expert committee recommendation, the additional material required for diversion of line as per technical specifications given by expert committee, the extra item proposal was proposed and has got approved from Competent Authority. Thus, the Competent Authority has revised and revalidated the MBR 56/20 Dt.24.08.2010 considering all the additional expenses required for this line diversion and have approved the new MBR No. 146/21 Dtd.16.03.2021. A proposal for write off will be put up for approval from Competent authority for moving the above mentioned WIP expenditure of RS.3.23 Cr to P&L account. If approved by Competent authority, the booking of loss will be done as mentioned. The 60 Nos of towers which will be dismantled are to be reutilized to other locations (Vashi Zone and Nashik Zone). The cost of these towers are Rs.21.94 Cr. The work of dismantling is under progress and the process of requisite entries is being done in SAP accordingly.	The concerned matter was enquired in course of our audit for FY 2021-22. The management response was similar to the response given here.
B	**Comments on Disclosures**		
	In response to the CAG Comments on the Standalone Financial Statements for the year 2019-20, the Company assured to pass necessary corrective entries during 2020-21. However, the following assurances were not complied with.Decommissioning of transformers costing Rs. 8.32 crore due to theft of copper in it by the repairing agency.	The Company is in the process of identifying and de-recognition of Assets given to M/s Aditya Vidyut Appliances for repair purpose.	Status Quo remains. The concerned matter was enquired in course of our audit for FY 2021-22. The management response was similar to the response given here.
C	**Comments on Auditors' Report**		
	Under para 2.18 and 2.22 of the modified Opinion of the Auditors on the Standalone Financial Statements, the Auditors have modified on the non-furnishing of details/data (19 general ledgers) and non-conformation and reconciliation of the data (116 general ledgers) by the	Necessary reconciliation/information and other details would be provided to the Statutory Auditors on FY 2022-23 and take all possible efforts to remove these GLs from the list of qualification in Audit Report of FY 2021-22	The concerned matter is covered in Para 3.17 and 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2021-22". The necessary data/details and supporting documents relating to items appearing under the GL codes stated under para 3.17 and 3.19 are not yet made available to us in course

	Company. The modified opinion of the Auditors has been given in general and non-specific terms by including a list of most of the important general ledger balances which have major financial impact on the financial statements. The modified opinion does not include specific observations on the financial activities of the Company and its impact on the financial statements. Thus, the members of the company and other stakeholders are not appraised of the modified opinion on many financial aspects of the standalone financial statements.		of our audit. In absence of such requisite details like confirmations, reconciliations, workings, cost centre wise details with underlying evidential documents, we had no other option but to include these GL codes as part of our qualifications.
Appendix II (b): - Items contained in the Inspection report of CAG prior to FY 2020-21 and remaining open as at 31 March 2022			
Sr.No.	**CAG's Comments**	**MSETCL's Reply**	**Auditors' Remarks**
A. Comment on Profitability			
Statement of Profit & Loss			
1. Other Income (Note 22):			
(a)	This includes Rs. 3.81 Crores, being the supervision charges deposited by third parties in three circles for Outright Consumers works for which the works are not taken up/completed. This resulted in overstatement of Other Income and profit and understatement of Other Non-current Liabilities by Rs. 3.81 Crores.	As per Para 35 of Ind AS 115, an entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs, or (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts.	The concerned matter is covered in Para 3.16 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2021-22".
(b)	This does not include Rs. 30.46 Crores being interest recoverable on mobilisation advances which should have been recognised. Non recognition is not in conformity with the accounting policy adopted by the Company. This resulted in understatement of other miscellaneous income and profit for the year by Rs. 30.46 Crores and understatement of Trade Receivables to that extent.	As per the accounting policy of the company disclosed under Note No 2.15 of the Standalone Financial Statements, interest income is accounted on accrual basis considering the certainty of the revenue. Further, the purpose of retention amount and bank guarantees with the Company is to secure performance of the contract and not to recover interest which is yet to be accepted by the agencies. With regard to the interest on mobilization advance given to contractors, the company has initiated the process to recover the same and its recognition as income in books of account.	The concerned matter (of GL Code 123060 and 290020) is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".

2	**Other Expenses (Note 26): Security Expenses**		
	This does not include Rs. 6.39 Crores being applicable GST on security expenses for the year. Non provision for GST resulted in understatement of expenses and overstatement of profits by Rs.6.39 Crores and understatement of Other Current Financial Liabilities to the extent of Rs.14.08 Crores (including Rs. 7.69 Crores GST liability for the previous years).	As per Circular No. 89/7/2006- ST Dated: 18th December, 2006, sovereign/public authorities (i.e. an agency constituted/set up by government) perform certain functions/ duties, which are statutory in nature. These functions are performed in terms of specific responsibility assigned to them under the law in force. The activities performed by the sovereign/public authorities under the provision of law are in the nature of statutory obligations which are to be fulfilled in accordance with law. Such activity is purely in public interest and it is undertaken as mandatory and statutory function. These are not in the nature of service to any particular individual for any consideration. Therefore, such an activity performed by a sovereign/public authority under the provisions of law does not constitute provision of taxable service to a person and, therefore, no service tax is leviable on such activities.Considering the above facts security expenses being charged by SGB to MSETCL is exclusive of GST.	The concerned matter was enquired in course of our audit for FY 2020-21 as well as FY 2019-20. The management response was similar to the response given here. We relied thereon.
3	**Other Expenses (Note 26): Miscellaneous Losses and Provisions**		
	This does not include provision on disputed transmission charges of Rs.49.68 crore already recognised but pending before the Appellate Tribunal for Electricity. The transmission licensee (M/s Sai Wardha Power Generation Ltd.) is also under the Corporate Insolvency Resolution Process. Non-Provision on the disputed claim is not in conformity with Ind AS 18 - Revenue resulting in understatement of other expenses and over statement of trade receivables with consequent overstatement of profit for the year by Rs.49.68 crore.	There is a valid Bulk Power Transmission Agreement (BPTA) with M/s SWPL in pursuance of which invoices has been raised for transmission charges for the allocated capacity of 130/135 MW coupled with favourable decision of Hon'ble MERC in the instant matter. Though the matter is further pending with APTEL for its final decision, NCLT has initiated corporate insolvency proceeding against M/s SWPL under Insolvency and Bankruptcy Code 2016 (IBC), wherein IRP has been appointed and admitted a claim of Rs. 34.00 crore against the total claim lodged by the Company of Rs. 119.51 crore keeping the balance amount of claim as contingent claim. It is noteworthy that the IRP has not rejected any amount of claim made by the company.Recently, NCLT has issued an order dated 17/10/2019 in the matter of IBC proceedings against M/s SWPL approving the Resolution plan submitted by the Resolution applicant wherein the admitted and contingent claim of operational creditors has been proposed to be paid in the phased manner within a period of 24 months as per the Resolution plan incorporated in the said order. In view of above, the provision for doubtful debts (Rs.8851.41 Lakhs) made in the books of accounts for the said receivable amount seems to be sufficient and hence no further provision	Status quo remains. The concerned item is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".

		has been made in the F.Y. 2021-22.MSETCL received Rs. 15 lakhs vide NCLT order no. 275/7/HDB/2019 dated 17/10/2019 as against the company claim of Rs. 119.51 crore. Further, MSETCL filed for appeal in NCLAT. NCLAT dismissed the appeal in Order No. 1401/2019 dated 03/02/2020. MSETCL has filed for appeal in SC to challenge NCLAT order.	
B. Comments on Financial Position			
	Balance Sheet		
1	**Capital Work-in –Progress (Note 4.2):**		
(a)	This includes Rs. 2.70 Crores being deposits taken from parties for construction of bays which had been allotted during the year. However, the amount was not adjusted from deposits. This resulted in overstatement of Other Non-current Financial Liabilities (Other deposits) and overstatement of other non-current assets by Rs. 2.70 Crores.	The reconciliation is in process and the deposit will be knocked off against the assets in FY 2022-23.	The concerned item is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
(b)	This includes Rs 217.00 Lakhs incurred by the Company towards the security charges at work site which was recoverable from the Contractors. This has resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables to the extent of Rs. 217.00 Lakhs.	MSETCL had awarded the work of 220KV Nandgaon Peth Substation ("S/Stn") and 220KV Anjangaon S/Stn along with its associated lines in Amravati District and 220 KV Malegaon S/St and 132 KV Jalgaon Jamod S/Stn along with their associated lines in Buldhana District to M/s ECI -Shanghai JV. However, due to non-performance of M/s ECI-Shanghai JV, MSETCL had terminated their EPC contract vide letter MSETCL/ED(P)/EPC/6243 dated 08/05/12.In order to safeguard the materials and assets w.r.t. the above-mentioned projects lying at the above-mentioned sites and to avoid the possibility of theft, the competent authority decided to provide MSETCL's security at those sites. Thus, the expenditure so incurred on providing services of security guards during the period 2011-12 to March 2017 was accounted for under Capital Work in Progress.MSETCL, in turn has awarded the contract on 'risk and cost basis to other contractors for completion of above-mentioned schemes of M/s ECI Shanghai. The company will certainly initiate recovery of such excess charges incurred from the erring contractor i.e., M/s ECI Shanghai. There are no future claims expected from M/s ECI, so option of encashment of BG is being explored. However, the matter is subjudised. The decision will be taken subject to final decision of the Court.	Status quo remains. The concerned matter was enquired in course of our audit for FY 2021-22. The management response was similar to the response given here.

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<td>(c)</td>
<td>This also includes Rs 159.42 Lakhs being ineligible price variation paid to the contractors on the tax element included in the price of the materials which resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables by Rs 159.42 Lakhs.

Excess payment of price variation of Rs. 31.20 Lakhs due to incorrect basis price.</td>
<td>Recovery of excess PV amounting to Rs. 169.73 Lakhs was recovered from the following contractors:
(Rs. In Lakhs)
<table>
<tr><th>Name of agency</th><th>Excess PV Recovery</th></tr>
<tr><td>M/s ECI</td><td>23.53</td></tr>
<tr><td>M/s KPTL</td><td>44.90</td></tr>
<tr><td>M/s KEC</td><td>77.09</td></tr>
<tr><td>M/s JSL</td><td>8.90</td></tr>
<tr><td>M/s GE (Alstom)</td><td>15.31</td></tr>
<tr><td>Total</td><td>169.73</td></tr>
</table>
Excess price variations paid to M/s. ABB in r/o 132KV Karanja SS. EHV Project division Akola has deducted to the tune of Rs. 10.04 Lakhs vide Document no. 100161751 dated 18 December 2022.</td>
<td>Status quo remains. The concerned matter was enquired in course of our audit for FY 2021-22. The management response was similar to the response given here.</td>
</tr>
<tr>
<td>2</td>
<td colspan="3">Trade Receivables (Note 10.2):</td>
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<td></td>
<td>This does not include the differential amount of ORC receivable from Maharashtra Eastern Grid Power Transmission Company Limited (“MEGPTCL”), resulting in understatement of trade receivables and overstatement of ORC work-in-progress by Rs. 18.68 Crores.</td>
<td>As far as the matter of accounting based on demand notice is concerned towards interest income of Rs. 12.63 Crores, the company does not recognize any income on the basis of issuance of demand notice as is evidenced from the accounting policy adopted by the company as per Note No. 2.15 to the Standalone Financial Statements. The issue of demand notice doesn’t entail into accrual of income.

As also with regard to ORC deposit, the same is accounted on the basis of receipt of the same, as issuance of demand notice doesn’t result in increase in receivable and depends whether the other party is agreeing to it.</td>
<td>The concerned items (of GL Code 260040 and 260060) are covered in Para 3.19 under ‘Basis for Qualified Opinion’ section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22”.</td>
</tr>
<tr>
<td>3</td>
<td colspan="2">Other Equity (Note 13) - Reserves and Surplus - Retained Earnings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Central Electricity Regulatory commission (CERC) restricted (December 2017) yearly inter-state transmission charges of nine transmission assets at Rs. 5.99 Crores. Though the company recognised the decreed transmission charges of Rs. 5.99 Crores each during 2018-19 and 2019-20, the excess transmission charges already recognised during 2014-15 to 2017-18 amounting to Rs. 251.11 Crores was not derecognized. This has resulted in overstatement of retained earnings to the extent of Rs. 251.11 Crores with corresponding understatement of advance</td>
<td>As per CERC order in Petition No. 256/TT/2013 dated 18.05.2015 in which tariff for FY 2013-14 was Rs. 77.10 Crores (per year) which is revised by CERC order in Petition No. 173/TT/2016 dated 19.12.2017 for FY 2014-15 Rs. 5.99 Crores (per year). However even after revised order by CERC payment made by PGCIL was on the basis of earlier order till September 2019. After that there was no receipt by PGCIL.

MSETCL is initiating the necessary reconciliation with PGCIL. MSETCL is filing a petition to CERC for the methodology to be adopted for the adjustment of excess Transmission Charges received. Balance reconciliation with PGCIL is in process</td>
<td>The concerned matter (of GL Code 300021) is covered in Para 3.15 under ‘Basis for Qualified Opinion’ section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22”.</td>
</tr>
</table>

	from customers under current liabilities to the same extent. Interest on Rs. 439.07 Crores (Rs. 251.11 Crores for 2014-17 and Rs. 187.96 Crores for 2018-20) was also not provided resulting in overstatement of retained earnings and understatement of advances from customers. Interest payable is not ascertainable for want of details from the Company.		
4	**Other Equity (Note no 13): Reserves and Surplus**		
	This includes Rs 449.00 lakh being the cost of ORC works treated as Income during FY 2014-15. The Company assured to make necessary adjustment during FY 2016-17. The non-compliance of the assurance resulted in the continuance of the overstatement of Reserves and Surplus and Fixed Assets to the extent of Rs 449.00 Lakhs with consequent effect on the depreciation and loss for the year.	The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	ORC deposits have not been reconciled in the FY 2021-22. The concerned matter (of GL Code 300021) is covered in Para 3.15 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
5	**Other Equity (Note 13): Special Reserve Fund: Rs. 139.39 Crores**		
	This includes Rs. 76.58 Crores appropriated from profits during 2013-14 and 2014-15 as per the provisions of MERC Regulations, 2005. Though the constitution of Special Reserve Fund (SRF) was repealed by the MERC (MYT) Regulation, 2011 the Company continued the appropriation during 2013-14 and 2014-15 (even though the new regulations were applicable to the company during this period) resulting in unauthorised appropriation to SRFs and understatement of Retained Earning to the extent of Rs. 76.58 Crores. Accumulated SRF of Rs. 139.39 Crores has also been lying since April 2015.	As per MERC Regulations 2005, out of the total amount of Efficiency gain/losses, 1/3rd was to be shared with the TSU, 1/3rd was to be retained as special reserve to be offset against the future losses due to controllable factors (if any) and the remaining 1/3rd is to be shared with MSETCL. Accordingly, MSETCL has appropriated the 1/3rd amount of efficiency gain as Special Reserve in the respective years where the said regulation was applicable. Further, MSETCL had asked for deferment from MERC MYT Regulation 2011, which was applicable from FY 2011-12 to FY 2012-13. Thus, MERC Regulation 2005 was made applicable to FY 2011-12 and FY 2012-13 also.Vide the Tariff Order in Case No 207 of 2014 dated 26 June 2015 MERC directed that the 1/3rd of the Efficiency gain for FY 2012-13 be appropriated to the Special Reserve during the true up of FY 2012-13. Accordingly, the shortfall on the special reserve accounts was provided during FY 2014-15. Thus, there was no violation of regulation and the amount	We concur with the response of the management.

		provided for during FY 2013-14 and FY 2014-15 were the shortfall pertaining to FY 2011-12 and FY 2012-13 respectively. Furthermore, as per Regulation 19.1(b) the special reserve is to be offset against the future losses due to controllable factors (if any). The O&M Expenses claimed by MSETCL are below the normative and thus there has been no loss till the last true up order hence the special reserve could not be utilised by MSETCL in the past years. If any such Efficiency loss arises in future, then the special reserve will be utilised in future.	
6	**Other Non-Current Financial Liabilities (Note: 14.2)**		
(a)	This includes Rs 400.00 Lakhs being deposit for construction of bays under ORC works against which the existing bays were allotted to the parties. As such, the deposits of Rs. 400 Lakhs should have been set off by transferring the same to Other Income. This has resulted in understatement of Other Income and Overstatement of Non-current liabilities and loss to the extent of Rs. 400 Lakhs.	In order to execute ORC works, deposits are taken from the parties for whom company performs/executes such ORC works. Aurangabad EHV O&M Circle has executed 7 ORC works with Rs. 221 Lakhs including supervision charges and Nagpur O&M Circle had completed 8 ORC works worth Rs. 237 Lakhs. Work Completion Report (WCR) against all the ORC works executed were received in the month of November 2017. Necessary accounting entry will be passed when the assets will be identified in Fixed Asset Register in accordance with the guidelines issued in context to Ind AS Policy. MSETCL is in the process of carrying out physical verification of Fixed assets, on completion of the same, the identification of proper assets and its value for adjustment against the ORC deposit amount would be done.	The concerned matter is covered in Para 3.16 and 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
(b)	In response to the Audit Comments for FY 2015-16, the Company assured to adjust the deposits pertaining to the completed ORC works amounting to Rs. 9,026.00 Lakhs during FY 2016-17 against Fixed Assets. The non-compliance of the assurance resulted in continuance of overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs. 9,026.00 Lakhs with consequent effect on the depreciation and the Loss for the year.	The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	ORC deposits have not been reconciled in the FY 2021-22. The concerned matter is covered in Para 3.16 and 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
(c)	This includes deposit of Rs. 45.09 Crores in respect of ORC works completed and commissioned during FY 2018-19. Non-adjustment of the deposits resulted in overstatement of deposits by Rs. 45.09 Crores and	Three ORC works with capex expenditure amounting to Rs. 40.97 Crores have been capitalized by knocking off the deposit in FY 2018-19. Five ORC works having capex expenditure amounting to Rs. 4.12 Crores will be capitalized after finalizing QV / Final bills.	ORC deposits have not been reconciled in the FY 2021-22. The concerned matter is covered in Para 3.16 and 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".

	consequent overstatement of ORC work-in-progress under Capital Work-in-progress to that extent.		
7	**Other current Financial Liabilities (Note: 18.3)**		
	This did not include Rs. 11.24 Crores being insurance premium charges recoverable from contractors and payable to Government of Maharashtra. Non-recovery of the same from the contractors has resulted in understatement of other current Financial Liabilities to the extent of Rs. 11.24 Crores with corresponding understatement of other current Assets to the same extent.	Necessary instructions are being issued to field Units to issue demand notes to the concerned Vendors for recovery of Insurance Charges. The same would also be adjusted against any amount of retentions withheld by MSETCL during the processing of RA Bills.	The concerned GLs (123060, 123110, 296050, and 296060) are covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
8	**Other Current Liabilities (Note No.19):**		
(a)	This does not include Rs. 13.06 Crores being non-assessment and non-recovery of the labour cess for the period July 2010 to March 2018 (Nashik Project Circle). This resulted in understatement of Other Receivables and Other Current Liabilities by Rs. 13.06 crores.	The labour cess is recovered and paid to the concerned authority in time. The balance amount would be recovered from the upcoming bills of the Vendors and the payment would be made immediately. Amount of Rs. 7.75 Crores has been recovered till date. The statement of the same is enclosed herewith. Further it is stated that Labour Cess of Rs.0.97 Crores could not be recovered on the Work Orders issued to M/s Areva T&D India Ltd as per Letter No. MSETCL/CO/F&A/9156 dated 03.12.2019 which is also enclosed herewith.	The balances and recoveries from the vendors could not be properly verified in course of our audit in absence of requisite data/details sought from the Company. The concerned GLs (146010, 296050, and 296060) are covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
(b)	Goods and Service Tax (GST) is applicable to deposits received as consideration for the supply of goods or rendering services in terms of section 2(31) of the CGST Act, 2017. The Company has not collected and deposited GST on ORC deposits resulting in short assessment and collection of GST by Rs. 43.13 Crores (*) with consequent understatement of other current liabilities and other current assets to that extent. * Rs. 377.78 Crores x 18/118 minus GST of Rs. 14.50 Crores on supervision charges already shown in the books of accounts.	In case of ORC works, MSETCL collects deposits from Outright Consumers before executing the works and treats as ORC Deposits in the books of accounts of MSETCL. It is shown in the liability side of the balance sheet of the MSETCL. This amount is finally set off against the actual cost of the construction/works at the time of completion of all activities of the works. Till the constructions stage, the expenditure incurred on these works is shown as Capital WIP and finally on completion of the works this deposit amount is set-off against the total works cost. The Asset is capitalized in the books of MSETCL at Re. 1. The Operation & Maintenance (O&M) of asset is carried out by MSETCL. As Asset is not transferred to the ORC Consumers, there was an ambiguity whether it is supply service or otherwise. MSETCL has submitted Application for Advance Ruling vide ARN	The concerned matter (of GL Code 123100) is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".

		AD270419019782S dated 25.04.2019 to Authority of Advance Ruling (AAR), GST Department regarding Applicability of GST on Deposit for Dedicated Distribution Facility (DDF)/ Dedicated Transmission System (DTS) /Out-right Contracts (ORC). The same is "Pending for Order" till date. However, as a conservative measure, MSETCL has issued Circular in May-19 for charging GST on the estimated cost of the ORC Works including supervision charges and same is paid to GST Authority. The decision regarding collection of GST on ORC deposit for the period from July'17 to March'19 shall be acted upon Order/Ruling from AAR in this regard.Order / Ruling from AAR is still awaited, meanwhile MSETCL has initiated the correspondence with AAR vide letter no.- 446 dated: 17.01.2020 & no.2650 dated 31/07/2020	
c	**Other Comments**		
1	**Significant Accounting Policies**		
(a)	As against the Corporate Social Responsibility (CSR) provision of Rs. 95.20 Crores during the years 2014-15 to 2016-17 and in 2019-20, the Company could spend only Rs. 20.37 Crores during the period from 2016-17 to 2019-20 on CSR projects and Rs. 74.83 Crores (78.60 per cent) remained unspent as of March 2020. However, the reasons for the non-utilisation were not specified by the Board in its report for the year 2018- 19 made under clause (o) of sub-section (3) of section 134 of the Act.	The Company has transferred the following amounts unspent as on April 30, 2021 in respect of Provisions made till FY 20-21 into a separate bank a/c. 1) Rs. 2716.53 Lakhs – 30 April 2021 2) Rs. 2500.00 Lakhs – 25 May 2021 3) Rs. 2848.01 Lakhs – 28 May 2021 Further, the Company has transferred unspent amount of Rs. 1743.26 Lakhs on 29 April 2022 in respect of provision made for FY 21-22 into a separate bank account.	Please refer paragraph (xx) (a) and (b) of Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements.

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of the Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2022
(Referred to in paragraph 15 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Sr. No.	Statutory Auditors Opinion	MSETCL's Response
I	(a) The Company has not maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").	MSETCL has implemented SAP/ERP and exercise was carried out to update the Fixed Assets Registers by incorporating the quantative details. Field Units are instructed to complete the assigned work on urgent basis.
	The Company is not maintaining proper records showing full particulars of intangible assets.	MSETCL has implemented SAP/ERP and exercise was carried out to update the Intangible Assets Registers by incorporating the full details. Field Units are instructed to complete the assigned work on urgent basis.
	(b) The Company has not carried out physical verification programme of its PPE. In the absence of physical verification records, we are unable to state whether there are any material discrepancies and whether the same have been properly dealt within the books of accounts.	Necessary policy framing for the physical verification of PPE on periodical basis in under process by the Company.
	(c) The records relating to title deeds of all the immovable properties as reflected in the Standalone Financial Statements (i.e., Land Title, Lease Deed, 7/12 extract etc.) are not maintained properly or updated and the same are not reconciled with the Standalone Financial Statements as at 31 March 2022. In the absence of complete records, we are unable to state whether all such immovable properties are in the name of the Company.	Compilation of ready made documents of land/leasehold lands is in process. However, it would take time since the same is to be collected from various land authorities from various Zone Offices.
	(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) and intangible assets during the year.	Factual
	(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.	Factual
II	(a) In our opinion and according to the information and explanations given to us, the physical verification of inventories has been conducted at the year-end by the management and, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records, though identified but not recognised or properly dealt with in the books of account. For stocks lying with third parties at the year-end, written confirmations have not been obtained.	Necessary instructions for proper reconciliation of excess/shortage found physical stock in the books of accounts by respective stores are given by the Management.
	(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crores, in aggregate, from banks or financial institutions, however, the aforesaid sanctions are not secured on the basis of security of current assets. Hence, furnishing of periodic returns of current assets with lending banks is not required.	Factual
III	(a) In our opinion and according to the information and explanations given to us, the Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited	Factual

<table>
<tr><td></td><td colspan="5">Liability Partnerships or any other parties during the year. Accordingly, paragraph 3(iii)(a) to 3(iii)(e) of the Order is not applicable to the Company.</td><td></td></tr>
<tr><td></td><td colspan="5">(b) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act). Accordingly, paragraph 3(iii)(f) of the Order is not applicable to the Company.</td><td>Factual</td></tr>
<tr><td>IV</td><td colspan="5">In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.</td><td>Factual</td></tr>
<tr><td>V</td><td colspan="5">In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.</td><td>Factual</td></tr>
<tr><td>VI</td><td colspan="5">We have broadly reviewed the books of account maintained by the Company as specified under section 148(1) of the Act, for the maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</td><td>Factual</td></tr>
<tr><td>vii.</td><td colspan="5">(a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, cess and any other statutory dues, as applicable to the Company, have generally been regularly deposited by the Company to/with the appropriate authorities during the year. As informed sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company during the year under report. Attention is drawn to Paragraph 3.19 under 'Basis for Qualified Opinion' section of our Audit Report, wherein GL heads/ codes are listed, including GLs (140100, 143030, 143031, 143060 and 146010) for statutory dues, on account of necessary data/ details not made available for our verification. Accordingly, outstanding statutory dues from such GLs for the purpose of reporting in this paragraph could not be ascertained. Subject to aforesaid outstanding statutory dues, there are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31 March 2022 for a period of more than six months from the date they became payable, except following:</td><td></td></tr>
<tr><td rowspan="2"></td><td>Name of the Statute</td><td>Nature of the Dues</td><td>Amount (Rs. In Lakhs)</td><td>Period to which the amount relates</td><td>Date of Payment</td><td rowspan="2">The Provision is made as per the response given to the CAG Para in FY 2013-14.</td></tr>
<tr><td>The Finance Act, 1994 (Service Tax)</td><td>Interest on Service Tax for previous year on the supervision charges collected from ORC vendors</td><td>267.34</td><td>FY 2014-15</td><td>Not Paid</td></tr>
<tr><td></td><td colspan="5">(b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of income-tax, have not been deposited to/with the appropriate authority on account of any dispute.</td><td></td></tr>
</table>

	Name of the Statute	**Nature of the Dues**	**Amount (Rs. In Lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**	**MSETCL's Response**
	Income Tax Act, 1961	Income Tax	328.41	2008-09	Assessing Officer	Matter Heard by the ITAT on 04 June 2021 - refer Order dated 18 June 2021 passed by the ITAT. The AO to give effect to the Order of the ITAT
	Income Tax Act, 1961	Income Tax	19000.84	2009-10	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Based on the details available with us - yet to be heard
	Income Tax Act, 1961	Income Tax	310.35	2010-11	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Based on the details available with us - yet to be heard
	Income Tax Act, 1961	Income Tax	5372.58	2010-11	The Income-tax Appellate Tribunal (Company's appeal and Tax Department's appeal)	Matter heard on 07 April 2022 by ITAT - Order of the ITAT awaited
	Income Tax Act, 1961	Income Tax	4.64	2011-12	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Order passed by the CIT(A) - refer Order dated 13 March 2022 - ground allowed subject to verification
	Income Tax Act, 1961	Income Tax	311.05	2012-13	Assessing Officer	Matter was heard by ITAT on 31 March 2021 - Order dated 22 April 2021 passed by ITAT dismissing the appeal
	Income Tax Act, 1961	Income Tax	4212.98	2013-14	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Based on the details available with us - yet to be heard
	Income Tax Act, 1961	Income Tax	936.87	2013-14	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Based on the details available with us - yet to be heard
	Income Tax Act, 1961	Income Tax	7107.68	2016-17	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Based on the details available with us - yet to be heard
	Income Tax Act, 1961	Income Tax	14.28	2018-19	The Commissioner of Income-tax (Appeals) - 22, Mumbai	Based on the details available with us - yet to be heard
	Note: Please refer Paragraph 3.18 under 'Basis for Qualified Opinion' section of our Audit Report on the Standalone Financial Statements.					
viii.	In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions recorded in the books of account reflecting surrender or disclosure as income during the year in the tax assessments under the Income Tax Act, 1961.					Factual
ix.	(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.					Factual
	(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.					Factual

	(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.	Factual
	(d) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, no funds were raised on short-term basis by the Company. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.	Factual
	(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.	Factual
	(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.	Factual
x.	(a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.	Factual
	(b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.	Factual
xi.	(a) In our opinion and according to the information and explanations given to us and based on verification procedures carried on by us, we report that there has been no fraud by the Company or fraud on the Company noticed or reported during the course of our audit.	Factual
	(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.	Factual
	(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year, under its vigilance department.	Factual
xii.	In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.	Factual
xiii.	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards. Section 177 is not applicable to the Company as per the provisions of the Act.	Factual
xiv.	(a) In our opinion and based on our examination, the Company has an internal audit system, however, scope of internal audit needs to be strengthened and enhanced to make the same commensurate with the size of the Company and its nature of business.	Company is taking necessary steps to strengthen the same.
	(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.	Factual

xv.	According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the Company.	Factual
xvi.	(a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.	Factual
	(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.	Factual
	(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company ("CIC") as defined in the regulations made by Reserve Bank of India. Accordingly, paragraph 3(xvi)© of the Order is not applicable to the Company.	Factual
	(d) In our opinion and according to the information and explanations given to us, the Company does not have any CIC as part of the Group.	Factual
xvii.	The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.	Factual
xviii.	There has been no resignation of the statutory auditors during the year and accordingly paragraph 3(xviii) of the Order is not applicable.	Factual
xix.	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.	Factual
xx.	(a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, paragraph 3(xx) (a) of the Order is not applicable.	Factual
	(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within period of thirty days from the end of the financial year in compliance with section 135(6) of the Act, except in respect of the following:	

	Financial Year	Amount unspent on Corporate Social Responsibility activities for "Ongoing Projects" (Rs. in Lakhs)	Amount Transferred to Special Account within 30 days from the end of the Financial Year (Rs. in Lakhs)	Amount Transferred after the due date (specify the date of transfer) (Rs. in Lakhs)	
	(a)	**(b)**	(c)	(d)	
	FY 20-21 and Earlier Years	8,126.80	2,716.53 Transfer date : 30 April 2021	2,500.00 Transfer date : 25 May 2021 2848.01 Transfer date : 28 May 2021	Amount transfered late due to unavailability of required cashflow with the Company.
	FY 21-22	1,743.26	1,743.26 Transfer date : 29 April 2022		
xxi	Requirement under paragraph 3 (xxi) of the Order is not applicable at the standalone level of reporting.				

Annexure C to the Independent Auditors' report on the Standalone Financial Statements of the Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2022

(Referred to in paragraph "16.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013.

Sr. No.	Statutory Auditors Opinion	MSETCL's Response
	Opinion	
1.	We have audited the internal financial controls with reference to the Standalone Financial Statements of Maharashtra State Electricity Transmission Company Limited ("the Company") as at 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.	Factual
2.	In our opinion, the Company's internal financial controls with reference to the Standalone Financial Statements and design thereof needs to be improved to eliminate control lapses and make it comprehensive. Based on selective verification of process controls matrixes made available to us which require to be updated for some identified processes and risks, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"), the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.	MSETCL has initiated process for appointing an Expert Professional to guide the Company for the development of internal control processes, which would exhibit the adequecy commensurating with the size of the Company and the nature of its business.
	Management's responsibility for Internal Financial Controls	
3.	The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.	Factual
	Auditor's responsibility	
4.	Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.	Factual
5.	Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to	Factual

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

Reply to the Consolidated Statutory Auditors qualification on the Audit Report for the Financial Year 2021-22. Refer Basis for qualified opinion in Audit Report .

Sr. No.	Statutory Auditors Opinion	MSETCL's Response
	Qualified Opinion	
1	We have audited the accompanying Consolidated Ind AS Financial Statements of **Maharashtra State Electricity Transmission Company Limited** ('the Company'), and its two Associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss Account (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Ind AS Financial Statements ").	Factual
2	In our opinion and to the best of our information and according to the explanations given to us, subject to the deficiencies noted in internal controls pertaining to preparation and presentation of the Consolidated Financial Statements, coupled with non-compliances and audit observations noted in "Basis for Qualified Opinion" paragraph below, the aggregate impact whereof is not quantified/ascertained, and based on the consideration of reports of other auditors on separate financials statements and financial information of such associates as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.	Factual
	Basis for Qualified Opinion	
3	We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements except for the items noted below that form the basis for our qualified opinion.	
3.1	Attention is invited to Note no. 44 of Consolidated Financial Statements giving details about accumulated Delayed Payment Charges ("DPC") as at 31 March 2022 amounting to Rs. 75,476.11 Lakhs (with reference to 1 distribution licensee) pending to be received out of Rs. 85,499 Lakhs (with reference to 3 distribution licensees) recognised as income under the head 'Other Income' during the Financial Year ("FY") 2016-17. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ("the MERC"), wherein the MERC had reduced the Aggregate Revenue Requirement ("ARR") of the Company for FY 2015-16 by Rs. 85,499 Lakhs and classifying it as 'Non-Tariff Income'. Data/	The fact has been disclosed in the Financial Statements vide Note No 44. STU raises the "Monthly Transmission Tarrif Charges" (MTC) Invoice to Distribution Licencees including the accumulated amount of DPC.

	details pertaining to the certainty over the realisability of such income (i.e., Trade Receivables) are not available with the Company. The accounting of such DPC as 'Other Income' in FY 2016-17 is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in Note No. 2.15 states that "Other Income is recognized on accrual basis except when ultimate realisation of such income is uncertain". Had the Company not recognized such income of Rs. 85,499 Lakhs in the FY 2016-17, its balance of the Retained Earnings in the Reserves & Surplus would have been lesser by that amount and balance of Trade Receivables would have been lesser by Rs. 75,476.11 Lakhs.	
3.2	The Company's system/processes to ascertain provision towards leave encashment and gratuity, based on actuarial valuation needs to be strengthened, as the accuracy of data of leaves and gratuity generated from the system and furnished to the actuary for valuation could not be verified in absence of proper data. Accordingly, we are unable to comment upon the adequacy or otherwise of the actuarial valuation made in respect of leave encashment and gratuity valuations in the books of accounts, effect whereof has not been ascertained.	HR Deptt , CO has issued directions to all the offices to prepare data of fresh leave quota on the basis of Service Book updations and upload the same in SAP/ERP HR Module, which would resolve the issue of inadequacy .
3.3	Party-wise break up of trade receivables with ageing is not readily available from the system. The details of Trade receivables prepared manually contained several errors and inaccuracies. Hence it could not be fully verified during the course of audit; accordingly, we are unable to comment upon non-provision based on simplified version of Expected Credit Loss ("ECL"). Further details/ breakup/ confirmations of Trade receivables aggregating to Rs. 3,19,197.80 Lakhs (net of provision for doubtful debts) sought for, were not made available for verification during the course of audit. Consequential impact of ascertainment of the realisability from these Trade Receivables and resultant provision, if any, for bad and doubtful debts on the Consolidated Financial Statements has not been ascertained. Accordingly, we are unable to comment upon adequacy of amounts disclosed under Note No. 33 relating to ageing of Trade receivables to the Consolidated Financial Statements.	The details regarding ageing of trade receivables were provided in excel utility. The Company appropriates the money received from Distribution Utilities towards the clearance of old dues first, hence, the outstanding dues pertains to latest invoices. Accordingly, ageing analysis were provided during the course of audit.
3.4	In terms of the provisions of Ind AS 101, "First Time Adoption of Indian Accounting Standards", the Company had availed option of Cost model of accounting for its Property, Plants and Equipment's ('PPE'). Accordingly, the carrying values of PPE on the transition date were taken as deemed cost and depreciation is calculated thereon manually on electronic spreadsheets considering the balance useful lives of items of PPE but without considering the residual value limits laid down by MERC regulations. As a result, several instances of charging excess depreciation on assets were noted. Further, in several cases the deprecation is manually calculated and provided at Head office for the assets located in Zone or Region for the reason of mismatches in dates of capitalization, critical spare items capitalization, etc. In absence of complete data/ details of such instances out of numerous line items of PPE, the combined impact of such erroneous depreciation is not ascertained.	The Company has appropriately done adjustment of deemed cost for PPE as on 01.04.2015.The consideration of net block as deemed cost is done as per guidance note on Ind AS Schedule II by ICAI read with Ind AS 101 and appropriate disclosures have been made in the financial statements. Depreciation as per Ind AS on amount as per orginal cost method or as per carrying cost method comes to the same figure, as in SAP-ERP depreciation will be calculated on the original amount, also the residual value of 10% as per MERC regulations has been considered in the SAP-ERP for each assets. It is only for disclosure purpose in the financial statements. Company cannot change its present fixed assets register and fixed assets schedule in the system. In respect to depreciation for assets whose date of commissioning is prior to April 2021, the same needs to be manually calculated and entered in SAP/ERP System. This is due to late

		receipt of Work Completion Report (WCR) .However, procedures are being deviced for the generation of WCR through SAP/ERP itself, which would elimate the manual depreciation entry in future.
	Without prejudice to the generality of the above, based on the scrutiny of available details of Asset register (ar02) during the course of our audit, it was noted that several items of PPE whose useful life has fully exhausted totalling Rs. 4,39,956.45 Lakhs (Gross Book Value) and Rs. 3,72,701.75 Lakhs (Accumulated Depreciation) are part of said register, resulting in overstatement of the value of PPE to that extent subject to discrepancies as may be noted if physical verification programme is carried out by the Company.	MSETCL uses the Assets , if in working condition, even if the useful life of the asset as per technical norms is exhausted. However, instructions have been issued by Trans O&M Section for conducting physical verification of Fixed Assets.
3.5	The Company has not maintained adequate details pertaining to items/ components giving rise to Deferred Tax Assets/ Liabilities ("DTA"/ "DTL"). In absence whereof the recognition, reversals and disclosure of the DTA/ DTL not being complete and correct, the impact thereof on the Consolidated Financial Statements is not ascertained.	The Company has provided for the impact due to treatment of Inventory (Standby Equipments) as Property, Plant and Equipments as per Ind AS 16 in the Financials. However, the same is done manually as configuration of this treatment in SAP/ERP is under process. However, as per the MERC Amended Capex Regulation , 2022, the policy of treatement of standby equipments as Property, Plant and Equipment has been revised and all the restrospective effects given have been reversed including the Deferred tax to be in-line with the Capex Regulation. All other Deferred Tax items are computed as per the applicable standard.
3.6	Based on the scrutiny of available details of Freehold Land under PPE, it was noticed that in the past, several items of Leasehold Land have been clubbed under Freehold Land and vice versa; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/ details of such instances, the impact thereof on Consolidated Financial Statements is not ascertained.	Considering the numerous number of agreements that too from MSEB period, the task of identifying leasehold land clubbed under freehold land is difficult, however, the process of identifying the same has been initiated in the Field Units
3.7	It is noticed during the course of our audit that 66KV substations/ transmission lines having Gross Book Value amounting to Rs. 14,093.18 Lakhs and Accumulated Depreciation amounting to Rs. 10,380.01 Lakhs as at 31 March 2022 are not in use for the operations of the Company. Pending testing for impairment of the same, we are unable to comment upon the carrying value of such assets in the books of accounts.	The 66KV lines and S/S are in operation, however, for ease, the operation and maintenance of these assets have been entrusted on MSEDCL by handing over the said assets. Trans O&M Section has issued guidelines to field Units for the procedures to be followed for decommissioning of 66 KV Assets.
3.8	It is observed from the SAP generated report (4.4 – Capex Report) by the Company, negative capital expenditure is charged to (reduced from) some schemes amounting to Rs. 3031.99 Lakhs for which no plausible explanation could be provided. To that extent, Assets under Construction ('AUC')/ Capital Work in Progress ("CWIP") in the Balance Sheet is understated. Further, there is no movement in some AUC line items since last more than three years, indications of impairment if any have not been tested by the Company for making appropriate provisions, impact thereof on the Consolidated Financial Statements cannot be commented upon.	Field Units has adjusted the negative PV impact against the CWIP incurred. However, the adjustment is done in current year for previous years too, hence the capex during the year shows negative amounts. Necessary instruction have been provided to field units to show adjustment is done from the Fixed Assets amounts, then during the year capex would show NIL or Positive Amounts.

3.9	With effect from 01 April 2019, the Ind AS 116 "Leases" became effective. The Company has adopted the new standard with modified approach and recognized asset in the form of 'Right to Use' (representing its right to use the leased asset over the lease term) and also liability towards present value of the balance of future lease payments for the leases. However, due to non-availability of lease documents and other records relating to several properties taken under lease, the Company is not able to identify and recognise the 'Right to Use' of said leases, hence no treatment was given in terms of provisions of Ind AS 116 for such leased assets. Impact thereof on the Consolidated Financial Statements has not been ascertained.	As discussed with the Ind AS Consultant, the leasehold land which is taken from GoM/CIDCO/MIDC are to be shown as Right Of Use Assets. However no lease liability is to be created as discussed in the Ind AS Technical Facilitation Group (ITFG), as there is no lease liability accruing on such assets.
3.10	The policy about inventory valuation of the Company (Note No. 2.14) states that inventories are valued at lower of cost or net realizable value ("NRV") but in course of our audit it is noticed that the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Consolidated Financial Statements is not ascertained.	The Core business of MSETCL is construction and maintenance of substation and lines. The inventory procured is of specific nature and is not for sale in the market. Moreover, the uniqueness of the business process of MSETCL makes the derival of NRV difficult.
3.10.1	The Company does not have laid down policy and procedures pertaining to materials/equipment's given to vendors/third parties on loan basis, the details of such items were asked for from all the seven zones of the Company. However, the same were not received from any zone for our verification. In absence of complete details and monitoring of such items we are unable to comment on impact thereof on the Consolidated Financial Statements.	MSETCL Project units provide the spare materials to the vendors for installation/commissioning of the Project on returnable basis by taking the approval of the Comptent Authority. The details are maintained manually through official registers. Trans O&M Section has issued instructions to all Field Units to maintain all the relevant records in such cases and provide the same to Auditors for verification.
3.10.2	Further, as observed the transformers are sent for repair by zonal offices to vendors without appropriately monitoring the records relating to such despatch and its return including matters pertaining to qualitative aspects of such repairs. In absence of necessary details from all the zones of such items we are unable to comment on impact thereof on the Consolidated Financial Statements.	This is to inform that Schedule of Rates (SOR) for repairs and Overhauling of EHV Power Transformers, ICTs and Reactors of various capacities & voltage rating are estimated in MSETCL for repairing works. Trans O&M Section has directed to field offices that care should be taken while issuing work order to the repairing agencies as per the following guidelines: 1) Work order shall be issued by taking into account the existing work load of repairer and preferably the nearest agency. 2) Priority shall be given to those repairer who can deliver the repaired Transformers/ICTs within schedule time. 3) Allocation to repairer agency shall be consented from Corporate Office only.
3.11	No inventory or data/ details/ description could be furnished for verification for the "Assets not in use – held for sale" (GL code 222010) amounting to Rs. 5,517.75 Lakhs being its Net book value; moreover, such assets are held at their carrying value instead of "lower of carrying value or net realizable value". Impact, if any, thereof on the Consolidated Financial Statements has not been ascertained.	Trans O&M Section has issued guidelines for physical verification of assets is to be carried out to update the Fixed Asset Register. This activity would also cover the verification/reconciliation of Asset Not in use component. Necessary accounting entry would be passed after completion of the assignment.

3.12	The government Grants received by the Company amounting to Rs. 23,850 Lakhs in FY 2006-07 towards capital assets for specific projects out of which Rs. 14,683.83 Lakhs are deferred for recognition as revenue as at 31 March 2022. The details of these grants with specific assets there against and conditions to be satisfied for the same are not made available for our verification. Hence, correctness/completeness thereof pertaining to accounting in terms of provisions of Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance" cannot be commented upon.	The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy. The Assets wise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not asset wise. MSETCL bifurcated the grant based on the cost of the assets.
3.13	The Company does not collate, maintain and present the details of dues to its vendors registered under Micro, Small and Medium Enterprises ("MSME") Development Act, 2006 ("the MSMED Act"). Accordingly, the Company has not paid or accrued interests on payments or outstanding dues to the MSME Vendors as required under provisions of the MSMED Act. Impact, if any, thereof on the Consolidated Financial Statements has not been ascertained.	The fact has been disclosed in the Financial Statements at Note no. 41
3.14	The prior period items of income and expenses have been disclosed by the Company in Note No. 49 but the same have not been restated in the respective previous years as mandatorily required under Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Impact thereof on the Consolidated Financial Statements has not been ascertained.	The fact has been disclosed in the Financial Statements at Note no. 49
3.15	Pursuant to Central Electricity Regulatory Commission ("CERC") order dated 19 December 2017 pertaining to FY 2014-15, the Company has recognised an amount of Rs. 2,657.44 Lakhs and Rs. 599 Lakhs as income during the FY 21-22 and FY 2020-21 respectively as against receipt of Rs. 10,789.41 Lakhs, which until FY 2019-20 was not accrued fully as income. Impact of the said order for earlier periods remains to be given in the books of account, as a result of which, profit in Consolidated Statement of Profit and Loss would be lower and Advance from Customer would be higher by the amount which has not been ascertained.	As per CERC order in Petition No. 256/TT/2013 dated 18.05.2015 in which tariff for FY 2013-14 was Rs. 77.10 Crs (per year) which is revised by CERC order in Petition No. 173/TT/2016 dated 19.12.2017 for FY 2014-15 Rs. 5.99 Crs (per year). However even after revised order by CERC payment made by PGCIL was on the basis of earlier order till Sept 2019. After that there was no receipt by PGCIL.
3.16	The deposits from customers towards Outright Contracts ('ORC') amounted to Rs. 1,23,145.85 Lakhs as at 31 March 2022. The company recognises its supervision fees upfront as income on receipt of deposits and not as and when supervision services are provided, which is contrary to the provisions of Ind AS 115 "Revenue from Contracts with Customers".	As per Para 35 of Ind AS 115 An entity transfers control of a goods or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts. Moreover, the supervision charges collected are of non refundale nature, hence the same are treated as Revenue Nature upfront.

3.16.1	Further, attention is invited to Note No. 2.19(c) of the Consolidated Financial Statements on "Accounting of Contributions received from Consumers against Outright Right Works (ORC Schemes)". As informed during the course of audit, there is specific policy on ORC assets/ liabilities and income thereon, but the same was not observed to have been followed by the Company, impact of which could not be ascertained in absence of relevant data/ details.			MSETCL has specific policy on the treatment of amounts received agaisnt ORC schemes refered vide Note No 2.19 (C). However, several clarificatory issues are faced in Field Units , which needs that the policy be reframed with proper guidelines. The necessary upgradation of the policy would be done with the approval of the Competent Authority by Trans O&M Section.
3.17	The basis, quantum and completeness could not be ascertained, in course of our audit, in the absence of required data/ details relating to the following items of revenue recognised during the year under report:			
	GL Code	**GL Description**	**F.Y. 21-22 (Rs. In Lakhs)**	
	300040	Revenue Towards Short term open Access Charges	(934)	It is to state that MSETCL provided all the available details to Statutory Auditor for verification and will take all possible efforts to remove these GLs from the list of qualification in Audit Report of FY 2022-23.
	300070	Rescheduling Charges	(643)	
	310010	Interest from Staff loans and advances	(9)	
	310020	Interest from investment in bank deposits	(1,555)	
	325010	Rental from staff quarters	(45)	
	330010	Sale of scrap (no cost assigned for scrap)	(913)	
	330020	Sale of Scrap Asset	(105)	
	335010	Gain/Loss on sale of Fixed Assets	(1,219)	
	350020	Sundry Credit Balances Written Back	(1,140)	
	380041	Other Miscellaneous Receipts (Non-GST)	(4,285)	
	380060	Liquidated Damages Recovered from Contractor	(2,052)	
	380100	Bay Maintenance / O&M Charges received	(740)	
	380120	Amortisation of Government Grant Received	(1,724)	
	380141	Remittance of Distribution Licensees collected from Parties	(3,075)	
	300080	Revenue from Additional Transmission and Regulatory	(11,212)	As per the directives received from MERC the amount received against ATC is already adjusted in regular MTC billing of TSU's who had paid the ATC.
	370010	Short Term Open Access Charges	(2,309)	STOA Consumers deposits the charges in the bank account of SLDC and the same is repatriated to HO. The reconciliation takes place at a later date after receipt of details from STOA
3.18	Attention is invited to Note No. 38 of the Consolidated Financial Statements giving details about "Contingent Liabilities and Contingent Assets", full details including the claims/demands pertain to taxes as required under the statute are not accurately maintained. Hence, it could not be fully verified during the course of audit. Accordingly, we are unable to comment upon adequacy of provisions based on details made available to us.			Necessary template has been developed in SAP/ERP System, wherein all the details well be made available for verification.
3.19	The amounts (in excess of Rs. 1 Lakh, other than statutory dues accounts) remaining and recognized in the following GL heads/ codes are subject to confirmation and reconciliation. The necessary data/ details pertaining to following were not made available during the course of audit for verification:			

	GL Code	Name of Account heads	F.Y. 21-22 (Rs. In Lakhs) Asset/Expenses (Liability/Income)	
	100050	Grants towards cost of Capital Assets	(14,684)	The Government Grant is received for the construction of Sub-Stations and Lines in the Rural Areas as per the GoM Policy. The Assetswise list was submitted to the GoM for grant requirement. The grant for these assets is given by GoM on lumpsum basis and not assetwise. MSETCL bifurcated the grant based on the cost of the assets.
	100054	Grant in Aid from GOI	(469)	The GoI has parted funds to PGCIL for the establishment of Renewable Energy Management Center (REMC) under Green Energy Corridor at 11 locations. On installation, testing and commissioning for Maharashtra Region the same is handed over to MSLDC for operation and maintenance purpose.
	101070	Reserve for LDCD Funds	(4,284)	refer Note No 13 (C) in the Financial Statements.
	101060	Scholarship, NSC, Cash prize, Death Assistance	2	Necessary adjustment of the amount would be done at field units based on its current status
	122010	Deferred Tax Liability	(2,46,674)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
	123030	Security Deposits	(7,983)	to be reconciled with field units based on its current status
	123040	Security deposits of jobs/works	(7,353)	to be reconciled with field units based on its current status
	123050	Earnest Money Deposits from Vendors	(1,200)	to be reconciled with field units based on its current status
	123060	Retention money of Vendor	(77,386)	to be reconciled with field units based on its current status
	123061	Risk & Cost Adjustments	(5,939)	to be reconciled with field units based on its current status
	123070	Misc. Deposits from Vender	(22)	to be reconciled with field units based on its current status
	123090	Advances from Customer	(65)	to be reconciled with field units based on its current status
	123100	Other Deposits from Consumers- O. R. C. Deposits	(1,23,146)	Necessary adjustment of the deposit against the completed asset is under process at field units based on its current status
	123110	GL for liquidity charges from vendor	(12,126)	to be reconciled with field units based on its current status
	130010	GR / IR Clearing Account	(6,583)	to be reconciled with field units based on its current status
	130020	EMD Dummy entry	(222)	to be reconciled with field units based on its current status
	131010	Sundry Creditors Payable Domestic (other than	(18,461)	to be reconciled with field units based on its current status
	133010	Sundry Creditors - Inter Company	(4,240)	to be reconciled with field units based on its current status
	134010	Sundry Creditors Employees	(12)	to be reconciled with field units based on its current status
	140060	Miscellaneous Deposits from Employee	(37)	to be reconciled with field units based on its current status
	140100	Income tax deducted at source TDS payable salaries	(207)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
	142010	Provision for Income –Tax	(3,51,571)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
	143030	TDS PAYABLE CONTRACTOR 194C	(121)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.

	GL Code	Name of Account heads	F.Y. 21-22 (Rs. In Lakhs) Asset/Expenses (Liability/Income)	
	143031	TDS PAYABLE ON OSL PROVISION	(29)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
	143060	TDS PAYABLE PROF. FEE / TECH SERVICES 194J	(9)	Proper yearwise computation would be reconciled for reconciliation in FY 2022-23.
	146010	Deduction of Labour Cess Amt	(48)	to be reconciled with field units based on its current status
	150010	Provision for Capital Works	(12,075)	to be reconciled with field units based on its current status
	150011	Provision for TDS against GR/IR	15	to be reconciled with field units based on its current status
	150030	Provision for Expenses – Others	(3,063)	to be reconciled with field units based on its current status
	150040	Provision for Expenses – Employees	(3,884)	to be reconciled with field units based on its current status
	150070	Provision for loss pending investigation	(723)	to be reconciled with field units based on its current status
	150130	Provision for Interest on Late Payment of Service	(264)	to be reconciled with field units based on its current status
	150140	Provision for Tree/Crop/Land Compensation	(1,429)	to be reconciled with field units based on its current status
	160010	Liability towards staff welfare Fund with Board	(667)	to be reconciled with field units based on its current status
	160020	Board of Trustees P.F. & Final Settlement	(1,922)	to be reconciled with field units based on its current status
	160030	MSEB Employees Dependent Welfare Trust A/c	(6)	to be reconciled with field units based on its current status
	165010	Stale Cheques	(406)	to be reconciled with field units based on its current status
	170010	Designated Current Account for third party	(6,575)	MSETCL has disclosed the amount pertaining to Designated Current Account showing liability towards Third Party for appropriate recognition purpose. The same status has also been adopted by PoSoCo in its financial statements.
	209670	SLDC Hardware	425	The GoI has parted funds to PGCIL for the establishment of Renewable Energy Management Center (REMC) under Green Energy Corridor at 11 locations. On installation, testing and commissioning for Maharashtra Region the assets are handed over to MSLDC for operation and maintenance purpose.
	209680	SLDC Telephone Equipment	51	
	209690	SLDC Spare	45	
	223030	Expense on Survey for Study for not sanctioned projects	247	to be reconciled with field units based on its current status
	223040	Pre-Operating Expenses for land acquisition on Unsanctioned Schemes	557	to be reconciled with field units based on its current status
	230050	AUC Cost of Land Development on Leasehold Land - Volt.G1	56	to be reconciled with field units based on its current status
	230060	AUC Cost of Land Dev on Leasehold Land -Volt.H2	50	to be reconciled with field units based on its current status
	237010	AUC Others	25,369	to be reconciled with field units based on its current status
	237020	AUC LE	3,338	to be reconciled with field units based on its current status
	237030	AUC ORC	18,311	to be reconciled with field units based on its current status
	237060	CWIP (Government Grant Impact)	2,319	to be reconciled with field units based on its current status
	240100	Fixed Deposit with bank	22,760	to be reconciled with field units based on its current status
	255020	Loss due to Material pending investigation	168	to be reconciled with field units based on its current status

	GL Code	Name of Account heads	F.Y. 21-22 (Rs. In Lakhs) Asset/Expenses (Liability/Income)	
	255040	MASA Stock (Physical Verification of Inventory	(114)	to be reconciled with field units based on its current status
	256010	Obsolete materials stock (including scrap)	615	to be reconciled with field units based on its current status
	260011	STU Sundry debtors for Trans. Charges	2,21,596	to be reconciled with field units based on its current status
	260031	STU Sundry Debtors for STOA / SLDC Charges	1,207	to be reconciled with field units based on its current status
	260040	Sundry Debtors – Others	92,796	to be reconciled with field units based on its current status
	260050	TDS Certificate Receivable	10	to be reconciled with field units based on its current status
	260060	Sundry Debtors - Inter Unit Account	2,078	to be reconciled with field units based on its current status
	260080	TDS Receivable - Transmission Charges	29,105	to be reconciled with field units based on its current status
	285310	MSPC UI Settlement Op. A/c (FBSM)	6,575	MSETCL has disclosed the amount pertaining to Designated Current Account showing liability towards Third Party for appropriate recognition purpose. The same status has also been adopted by PoSoCo in its financial statements.
	290010	Advances to Contractors /Suppliers - O&M	2,306	to be reconciled with field units based on its current status
	290020	Capital Advance for Projects	542	to be reconciled with field units based on its current status
	292050	Loans & Advances to Staff -- Computer Advance	104	to be reconciled with field units based on its current status
	292060	Loans&Advances to Staff-Int.Free Travelling Allowance	8	to be reconciled with field units based on its current status
	292080	Loans & Advances to Staff- Int. Free Festival Advance	155	to be reconciled with field units based on its current status
	292120	Advance against Gratuity to Staff	8	to be reconciled with field units based on its current status
	293010	Advance Income Tax	2,58,071	to be reconciled with field units based on its current status
	293011	TDS Certificate Received	264	to be reconciled with field units based on its current status
	293013	TCS Payable u/S 206C (1H)	9	to be reconciled with field units based on its current status
	293014	TDS receivable -sec 194O	28	to be reconciled with field units based on its current status
	293040	Income Tax Deducted at source - Other Recipients	63,384	to be reconciled with field units based on its current status
	293050	Miscellaneous Loans & Advances	6	to be reconciled with field units based on its current status
	293060	Self-Assessment Tax- Income tax	31,972	to be reconciled with field units based on its current status
	294010	Income Accrued and Due on Fund Investments	304	to be reconciled with field units based on its current status
	294030	Income Accrued but not Due on Staff Loans &	27	to be reconciled with field units based on its current status
	295010	Amount Recoverable from Employee	7	to be reconciled with field units based on its current status
	295030	Training Fees Paid To ITI To Be Recovered from Dependent of Deceased Employees	24	to be reconciled with field units based on its current status
	296030	Miscellaneous Amount received from SEB Government Departments Local & Private Bodies	709	to be reconciled with field units based on its current status
	296050	Expenses recovered from Suppliers	115	to be reconciled with field units based on its current status
	296060	Expenses recovered from Contractors	155	to be reconciled with field units based on its current status

	GL Code	Name of Account heads	F.Y. 21-22 (Rs. In Lakhs) Asset/Expenses (Liability/Income)	
	296061	Receivables considered Doubtful (RDD)	11,614	to be reconciled with field units based on its current status
	297010	Deposit With Telephone Authorities	19	to be reconciled with field units based on its current status
	297020	Other Deposits	3,976	to be reconciled with field units based on its current status
	400010	Repairs & Maintenance (All Transmission)	38,235	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	400050	Material Consumption – Project	18	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	430110	Outsource Personnel Salary	10,417	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	440090	Upkeep of office	1,094	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	440100	Security Measures - contract basis	10,233	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	440140	Commission on Sale of Scrap	72	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	446010	Sundry debit Balance written off	430	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
	447020	Loss to fixed asset/stock on account of flood	9	Field Units have been instructed to keep all the records for verification of Statutory Auditors in FY 2022-23.
The effects of adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write-back thereof is not ascertained. Further, in absence of necessary data/ details, the bifurcation of items of assets/ liabilities under 'Current' or 'Non-current' head could not be accurately verified.				
	Other Information			
4	The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.			Factual
5	Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.			Factual
6	In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of ohter auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.			Factual
	Management's responsibility for the Consolidated Financial Statements			
7	The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of			Factual

	these Consolidated Financial Statements that give a true and fair view of the Consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and cash flows of the Company and its associates in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act. The board of directors of the company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.	
8	In preparing the Consolidated Financial Statements, the Board of Directors of the Company and of its associates are responsible for assessing the ability of each Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.	Factual
9	The Board of Directors of the Company and its associates are also responsible for overseeing the Company's financial reporting process of the Company and of its associates.	Factual
	Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements	
10	Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.	Factual
11	As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:	
11.1	Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.	Factual
11.2	Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.	Factual
11.3	Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.	Factual

11.4	Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.	Factual
11.5	Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.	Factual
11.6	Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditor, remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.	Factual
12	We communicate with those charged with governance of the company which we are the independent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.	Factual
13	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	Factual
	Other Matters	
14	We did not audit the financial statements of Jaigad Powertransco Limited ("JPTL") and Maharashtra Transmission Communication Infrastructure Limited ("MTCIL"), associates of the Company located in India whose financial statements reflect total net profit after tax of Rs 1523.35 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amount and disclosures included in respect of these associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.	Factual
15	Our Opinion on the Consolidated Financial Statements, and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.	Factual
	Report on Other Legal and Regulatory Requirements	
16	As required by clause (xxi) of paragraph 3 of the Companies (Auditor Report) Order, 2020 (CARO), we report as under according to the information and explanation given to us and based on the consideration of audit report of associates of the company as noted in " Other Matters paragraph".	

<table>
<tr><td>(a)</td><td colspan="4">There are no qualification or adverse remarks in case of CARO reports of the said associates;</td><td>Factual</td></tr>
<tr><td>(b)</td><td colspan="4">As regards the CARO report of the Company, the following table is summarizes required details</td><td rowspan="3">Appropriate Responses are given on relevant points in the Annexure</td></tr>
<tr><td rowspan="2"></td><td>Name</td><td>CIN</td><td>Holding Company/ subsidiary/ Associates/ Joint Venture</td><td>Clause number of Para 3 of the CARO report which is qualified or contains adverse remarks</td></tr>
<tr><td>Maharashtra State Electricity Transmission Company Limited (the Company)</td><td>U40109MH2005SGC153646</td><td>Audit report on standalone financial statement of the Company</td><td>Paragraph I (a), (b) and (c)
Paragraph ii (a)
Paragraph vii (a) and (b)
Paragraph xiv (a)
Paragraph xx (b)</td></tr>
<tr><td>17</td><td colspan="4">As required by section 143(3) of the Act, based on our audit and on the consideration of audit report of the other auditors on separate financial statements of such associates as were audited by other auditors,as noted in the “Other Matters” paragraph, we report , to the extent applicable, that:</td><td>Factual</td></tr>
<tr><td>17.1</td><td colspan="4">We have sought and obtained, except as noted in para 3 above, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.</td><td>Factual</td></tr>
<tr><td>17.2</td><td colspan="4">In our opinion, except as noted in para 3 above, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.</td><td>Factual</td></tr>
<tr><td>17.3</td><td colspan="4">The Consolidated balance sheet, the Consolidated statement of profit and loss including other comprehensive income, the Consolidated statement of changes in equity and the Consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.</td><td>Factual</td></tr>
<tr><td>17.4</td><td colspan="4">Except as noted in para 3 above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.</td><td>Factual</td></tr>
<tr><td>17.5</td><td colspan="4">In view of exemption given vide notification no. 463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of section 2(45) of the Act, provisions of section 164(2) of the Act pertaining to disqualification of Directors, are not applicable to the Company. On the basis of the reports of the statutory auditors of associates companies incorporated in India, none of the directors of its associates companies incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.</td><td>Factual</td></tr>
<tr><td>17.6</td><td colspan="4">With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Company and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.</td><td>Appropriate Responses are given on relevant points in the Annexure</td></tr>
<tr><td>17.7</td><td colspan="4">In view of exemption given vide notification no. 463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of Section 2(45) of the Act, provisions of section 197 of the Act pertaining to managerial remuneration, are not applicable to the Company. Based on the reports of the statutory auditors of associate companies incorporated</td><td>Factual</td></tr>
</table>

	in India which were not audited by us, the said section is not applicable to MTCIL and in case of JPTL, the company has not paid any remuneration to its directors except for sitting fees.	
18	With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such associates, as noted in the "Other Matters" paragraph::	Factual
(i)	Except as noted in para 3.18 above, the Consolidated Financial Statement disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Company and its associates. Refer Note no. 38 to the Consolidated Financial Statements.	Factual
(ii)	The Company and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.	Factual
(iii)	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associates.	Factual
(iv)	The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or by its associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.	Factual
(v)	The management has also represented that no funds have been received by the Company or by its associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.	Factual
(vi)	In our opinion and according to the information and explanations given to us, the Company and its associates has not declared or paid any dividend during the year.	Factual

Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of the Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2022
(Referred to in paragraph "17.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Sr. No.	Statutory Auditors Opinion	MSETCL's Response
	Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013.	
	Opinion	
1.	We have audited the internal financial controls with reference to the Consolidated Financial Statements of Maharashtra State Electricity Transmission Company Limited ("the Company") and its associates, incorporated in India as at 31 March 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.	Factual
2.	In our opinion, the Company's internal financial controls with reference to the Consolidated Financial Statements and design thereof needs to be improved to eliminate control lapses and make it comprehensive. Based on selective verification of process controls matrixes made available to us which require to be updated for some identified processes and risks, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"), the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.	MSETCL has appointed an Expert Professional to guide the Company for the development of internal control processes, which would exhibit the adequecy commensurating with the size of the Company and the nature of its business.
3.	Based on the considerations of reporting of the other auditors of Associates as mentioned in the 'Other Matter' paragraph, which are companies incorporated in Indi, have in all material respects, as adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Associates considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.	Factual
	Management's responsibility for Internal Financial Controls	
4.	The Company's management and its associates, incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.	Factual
	Auditor's responsibility	
5.	Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether	Factual

	adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and whether such controls operated effectively in all material respects.	
6.	Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.	Factual
7.	Based on other auditors' report, in case of the associates, which provide clean report and based on our report in case of the Company , we believe that the audit evidence we have obtained is insufficient to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Consolidated Financial Statements.	Factual
	Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements	
8.	A company's internal financial controls with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Consolidated Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.	Factual
	Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements	
9.	Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become further inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.	Factual
	Other Matters	
10.	Our aforesaid report under section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two Associate Companies which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.	Factual

Annexure-IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of consolidated financial statement of **Maharashtra State Electricity Transmission Company Limited, Mumbai** for the year ended 31st March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **17 October 2022.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Maharashtra State Electricity Transmission Company Limited, Mumbai** for the year ended 3l March 2022 under section 143(6) (a) read with the section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of **Maharashtra State Electricity Transmission Company Limited**, **Mumbai,** but did not conduct supplementary audit of the financial statements of **Jaigad Power Transmission Limited and Maharashtra Transmission Communication Infrastructure Limited** for the year ended on that date.

This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) to the Act.

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

Sd/-
(R. Thiruppathi Venkatasamy)
Accountant General (Audit)-II, Maharashtra

Place: Nagpur
Date: 23/12/2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENT OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of **Maharashtra State Electricity Transmission Company Limited** for the year ended 3l March 2022 in accordance with the financial reporting framework prescribed under the Companies Act,2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **17 October 2022.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

A. Comments on Profitability

Statement of Profit & Loss

Revenue

Revenue from operations (Note 21) : ₹ 4,863.80 crore

Additional Transmission and regulatory charges- ₹112.12 crore

1. This includes ₹ 55.35 crore towards Additional Transmission charges receivable from Maharashtra State Electricity Distribution Company Limited (MSEDCL) for the period November 2020 to March 2021.

   This has resulted in overstatement of Total Comprehensive Income and understatement of opening Retained Earnings by ₹ 55.35 crore.

Expenses

Employee benefit expenses (Note 24) : ₹ 1,164.26 crore

Staff welfare expenses : ₹ 49.55 crore

2. a. Above does not include claims of ₹ 4.60 crore received from the families of deceased employees (due to covid pandemic) in 2021-2022 towards Ex-gratia and Group Insurance.

2. b. The above also does not include ₹ 0.09 crore being expenses for medical health check-up incurred for 250 employees of the Company in March 2022.

   This has resulted in overstatement of Total Comprehensive Income and understatement of Provisions (Note 20) under Current Liabilities by ₹ 4.69 crores

Other expenses (Note 26) : ₹ 403.15 crore

Rates and Taxes : ₹ 16.72 crore

3. This includes ₹ 0.99 crore towards property taxes for the period 2009-10 to 2020-21.

   Accounting of property taxes for earlier years in current year resulted in understatement of Total Comprehensive Income and overstatement of opening Retained Earnings ₹ 0.99 crore.

B. Comments on Financial Position

Balance Sheet

Assets

Non-current Assets

Property, Plant and Equipment (Note: 4.1) : ₹ 15,812.02 crore

4. The Company did not capitalise assets valued at ₹ 4.11 crore being the claim towards the cost of quantity variations in respect of construction of 132 kv SCDC Kankavali - Kudal line along with end bay each at Kankavali and Kudal as per the disclosed Accounting Policies at Note No 2.6 . This was proposed and discussed in the 152nd Board meeting held on 29 December 2021 and later approved in 156th meeting of the Board held on 04/08/2022 (prior to approval to the Annual accounts of the Company).

   This has resulted in understatement of Property, Plant and Equipment (PPE) (Note No. 4.1) and consequent understatement of Trade Payables under Current Liabilities (Note : 18.2) by ₹ 4.11 crore.

5. The Property, Plant and Equipment (PPE) do not include ₹ 51.02 crore on 56 different completed/available for use/ charged/commissioned works[1] prior to 31 March 2022. These works should have been capitalised in accordance with the disclosed Accounting Policies of the Company with regard to PPE (Note 2 (2.6)) and depreciation (Note 2.9).

[1.] *Includes ₹ 1.48 crore towards crop compensation, General Establishment Charges (GEC) and Interest During Construction (IDC) in respect one work, ₹ 1.21 crore being GEC of one work, ₹ 23.80 croes being the cost of one substation work which had to be capitalised as per circular No.8315 (Capex circular No.1) dated 31/05/2012 regarding capitalization of assets (in case of new substations, where the transfomers/ICTs gets charged, the Sub-station should be capitalized, though the scheme has not been completed.) and ₹ 24.53 crore on 53 other different works.*

Non capitalisation of above resulted in understatement of Property, Plant and Equipment (Note No. 4.1) and overstatement of Capital Work In Progress (CWIP) (Note : 4.2) by ₹ 51.02 crore . This has also resulted in non charging of depreciation for the year to the extent of ₹ 1.28 crore with corresponding overstatement of Total Comprehensive Income for the current year and overstatement of opening balance of Retained Earnings by ₹ 1.05 crore pertaining to the previous years.

Current Assets

Other Current financial Assets (Note 10.5) : ₹ 51.29 crore

Other Receivable - ₹ 7.31 crore

6. Above does not include ₹ 3.03 crore being short deposit by Maharashtra Rail Infrastructure Development Corp. Ltd., for Outright Contribution work (ORC deposit work) (132 KV power supply of EHV level for traction substation at village Patansaongi). As against the total cost of ₹ 12.80 crore ORC deposit work (cost inclusive of expenditure actually incurred and supervision charges, GST) executed by the Company as on 31 March 2022, it received deposit of only ₹ 9.77 crore from ORC consumer. The Company creates Current Liability on receipt of deposit from ORC consumers and during execution of work, CWIP is debited and on completion of work, the CWIP is adjusted against the current liability created earlier on receipt of deposit.

   Non accounting of ₹ 3.03 crore as receivable from ORC consumer resulted in understatement of Other Receivables under Other Current Financial Assets and understatement of Current Liabilities by ₹ 3.03 crore.

Equity and Liabilities

Liabilities

Non-current liabilities

Financial Liabilities

Other non-current financial liabilities (Note 14.2) : ₹ 2,464.20 crore

Deposit received from consumers under ORC schemes : ₹ 1,231.46 crore

7. The above includes deposits received for ORC works, which have been completed as detailed in the below table :

Sr No.[2]	Name of the work	Date of Completion	Amount (₹ in crore)
1	220 KV Kharbao TSS included under 220 KV Kamba Kharbao and Kolshet Kharbao lines	05.02.2022	7.02
2	220 KV Tarapur Boiser line Location 37	28.02.2022	0.83
3	220 KV Vasai PGCIL line location 54-58	27.01.2020	0.37
4	Rerouting of 132 KV Dahanu (MIDC) - Boisar line between loc no. 62 to 64 including work of rerouting of 132 KV dahanu (MIDC) - Boisar line between loc no. 62 to 64.	26.03.2021 and 27.03.2021	1.62
5	Shifting / Height raising of 220 KV DC Kharghar Top worth and Kharghar Panvel TSS line between loc no. 646 to 649	15.02.2019	0.87
6	Height raising of 220 KV S/C Umred - Top with Urja feeder at Loc No. 19 to 23 executed for Maharashtra Rail Infrastructure Development Corp. Ltd.	13.02.2022	1.26
	Total		**11.97**
	Thus, non-adjustment of above completed works from CWIP against the existing Current Liability, resulted in overstatement of Current Liabilities and overstatement of CWIP to the extent of ₹ 11.97 crore. [2] *Works at Sr No 1 to 5 amounting to ₹ 10.71 crore was executed and charge/completed for Dedicated Freight Corridor Corporation of India Ltd., under ORC deposit work.*		

C. Comments on Notes to Financial Statements
CSR Liability (Note 45)

8. In accordance with Circular no. 14 dated 24 August 2021 issued by the Ministry of Corporate Affairs regarding clarifications on CSR related work, the Company transferred ₹ 80.64 crore in April - May 2021 and ₹ 17.43 crore in April 2022 to a separate bank account 'Unspent CSR Account'.

   The above facts were not disclosed in Note 45 by the Company.

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

Sd/-
(Lata Mallikarjuna))
Pr. Accountant General (Audit)-II, Maharashtra

Place: Nagpur
Date: 29/12/2022

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022 AND MSETCL'S RESPONSE THEREUPON

Sr. No.	CAG's COMMENTS	MSETCL's Reply
	The preparation of financial statements of **Maharashtra State Electricity Transmission Company Limited** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act,2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **17 October 2022.**	Factual
	I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.	Factual
A	**Comments on Profitability** **Statement of Profit & Loss** **Revenue** **Revenue from operations (Note 21) : ₹ 4,863.80 crore** **Additional Transmission and regulatory charges - ₹ 112.12 crore**	
1	This includes ₹ 55.35 crore towards Additional Transmission charges receivable from Maharashtra State Electricity Distribution Company Limited (MSEDCL) for the period November 2020 to March 2021. This has resulted in overstatement of Total Comprehensive Income and understatement of opening Retained Earnings by ₹ 55.35 crore.	For the Additional Transmission Charges calculation, the 15 minutes recorded Maximum Demand (RMT) Data is required. For the period of November 2020 to March 2021, 15 minutes RMD data email received in STU Section on dated 30.08.2021 & 01.09.2021. Accordingly, Additional Transmission Charges (ATC) bills for November 2020 to March 2021 are issued vide outward No. 7598, 7597, 7596, 7595, 7594 dtd.16.12.2021.
	Expenses **Employee benefit expenses (Note 24) : ₹ 1,164.26 crore** **Staff welfare expenses : ₹ 49.55 crore**	
2.a.	Above does not include claims ₹ 4.60 crore received from the families of deceased employees (due to covid pandemic) in 2021-2022 towards Ex-gratia and Group Insurance.	Total 17 cases pertaining to FY 2021-22 were received, however due to non fulfilment of necessary documents the claims were not admited by HR Section in Field Offices, hence no provision was made in FY 2021-22.

2.b.	The above also does not include ₹ 0.09 crore being expenses for medical health check-up incurred for 250 employees of the Company in March 2022.	MSETCL incurred medical health check-up expenses for employees in the month of March-22 & April-22 of Rs.10.66 lakhs. Out of Rs.10.66 lakhs, Rs.1.66 lakhs pertains to April-22, which was correctly booked in the FY 2022-23, at the same time, the amount of Rs.8.99 lakhs which was pertaining to March-22, was also booked in FY 2022-23.
	This has resulted in overstatement of Total Comprehensive Income and understatement of Provisions (Note 20) under Current Liabilities by ₹ 4.69 crores	
	Other expenses (Note 26): ₹ 403.15 crore **Rates and Taxes : ₹ 16.72 crore**	
3	This includes ₹ 0.99 crore towards property taxes for the period 2009-2010 to 2020-21 Accounting of property taxes for earlier years in current year resulted in understatement of Total Comprehensive Income and overstatement of opening Retained Earnings by ₹ 0.99 crore.	This pertains to following 3 offices : **i)O&M Division Kalwa (Rs 0.28 crores)**-Upon verification of the documents, it has been observed that the Property Tax expenses were paid in FY 2021-22, but at the same time provision in respective previous year was not done. **ii) O&M Division, Nagpur (Rs 0.11 crores)** -Upon observation of the documents the bill was received in 30 Sept-20 , however, the provision for the same was not done in FY 2020-21. **iii) EHV RS, Urban Division, Nagpur (Rs 0.60 crores)**-Upon observation of the documents, the bill was received in March-22 of Rs.60.81 lakhs and the same was paid in FY 2021-22 Correctly.
B	**Comments on Financial Position** **Balance Sheet** **Assets** **Non-current Assets** **Property, Plant and Equipment (Note: 4.1) : ₹ 15,812.02 crore**	
4	The Company did not capitalise assets valued at ₹ 4.11 crore being the claim towards the cost of quantity variations in respect of construction of 132 kv SCDC Kankavali - Kudal line along with end bay each at Kankavali and Kudal as per the disclosed Accounting Policies at Note No. 2.6 . This was proposed and discussed in the 152nd Board meeting held on 29 December 2021 and later approved in the 156th meeting of the Board held on 04/08/2022 (prior to approval to the Annual accounts of the Company). This has resulted in understatement of Property, Plant and Equipment (PPE) (Note No. 4.1) and consequent understatement of Trade Payables under Current Liabilities (Note : 18.2) by ₹ 4.11 crore.	Revised Final Quantity Variation (QV) proposal amounting to Rs.4.11 crore was sanctioned vide B.R.No.156/35 dated 26.08.2022 , however due to non-availability of the enhanced additional budget provision could not be made in the system.
5	The Property, Plant and Equipment (PPE) do not include ₹ 51.02 crore on 56 different completed/available for use/ charged/commissioned works[1] prior to 31st March 2022. These works should have been capitalised in accordance with the disclosed Accounting Policies of the Company with regard to PPE (Note 2 (2.6)) and depreciation (Note 2.9). *1. Includes ₹ 1.48 crore towards crop compensation, General Establishment Charges (GEC) and Interest During Construction (IDC) in respect one work, ₹ 1.21 crore being GEC of one work, ₹ 23.80 croes being the cost of one substation work which had to be capitalised as per circular No. 8315 (Capex circular No.1) dated 31/05/2012 regarding capitalization of assets (in case of new substations, where the transfomers/ICTs gets charged, the Sub-station should be capitalized, though the scheme has not been completed.) and ₹ 24.53 crore on 53 other different works.*	With regard to the capitalization of WIP, necessary due care will be taken at field units to do the capitalization immediately on receipt of WCR. Also, with regard to depreciation for previous years on such assets, MSETCL would consider the same while doing the depreciation run in SAP-ERP.

<table>
<tr><td></td><td>Non capitalisation of above resulted in understatement of Property, Plant and Equipment (Note No. 4.1) and overstatement of Capital Work In Progress (CWIP) (Note : 4.2) by ₹ 51.02 crore . This has also resulted in non charging of depreciation for the year to the extent of ₹ 1.28 crore with corresponding overstatement of Total Comprehensive Income for the current year and overstatement of opening balance of Retained Earnings by ₹ 1.05 crore pertaining to the previous years.</td><td></td></tr>
<tr><td></td><td>Current Assets
Other Current financial Assets (Note 10.5) : ₹ 51.29 crore
Other receivable - ₹ 7.31 crore</td><td></td></tr>
<tr><td>6</td><td>Above does not include ₹ 3.03 crore being short deposit by Maharashtra Rail Infrastructure Development Corp. Ltd., for Outright Contribution work (ORC deposit work) (132 KV power supply of EHV level for traction substation at village Patansaongi). As against the total cost of ₹ 12.80 crore ORC deposit work (cost inclusive of expenditure actually incurred and supervision charges, GST) executed by the Company as on 31 March 2022, it received deposit of only ₹ 9.77 crore from the ORC consumer. The Company creates Current Liability on receipt of deposit from ORC consumers and during execution of work, CWIP is debited and on completion of work, the CWIP is adjusted against the current liability created earlier on receipt of deposit.

Non accounting of ₹ 3.03 crore as receivable from ORC consumer resulted in understatement of Other Receivables under Other Current Financial Assets and understatement of Current Liabilities by ₹ 3.03 crore.</td><td>The amount of Rs.3.03 crore is accounted as receivable from Rail Vikas Nigam Ltd.(RVNL) in this financial year 2022-23 vide document no.100179933 dt:-30.11.22.</td></tr>
<tr><td></td><td>Equity and Liabilities
Liabilities
Non-current liabilities
Financial Liabilities
Other non-current financial liabilities (Note 14.2) : ₹ 2,464.20 crore
Deposit received from consumer under ORC schemes : ₹ 1,231.46 crore</td><td></td></tr>
<tr><td>7</td><td>The above includes deposits received for ORC works, which have been completed as detailed in the below table :</td><td></td></tr>
<tr><td></td><td>
<table>
<tr><th>Sr. No. [2]</th><th>Name of the work</th><th>Date of Completion</th><th>Amount (₹ in crore)</th></tr>
<tr><td>1</td><td>220 KV Kharbao TSS included under 220 KV Kamba Kharbao and Kolshet Kharbao lines</td><td>05.02.2022</td><td>7.02</td></tr>
<tr><td>2</td><td>220 KV Tarapur Boiser line Location 37</td><td>28.02.2022</td><td>0.83</td></tr>
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<tr><td>4</td><td>Rerouting of 132 KV Dahanu (MIDC) - Boisar line between loc no. 62 to 64 including work of rerouting of 132 KV dahanu (MIDC) - Boisar line between loc no. 62 to 64</td><td>26.03.2021 and 27.03.2021</td><td>1.62</td></tr>
<tr><td>5</td><td>Shifting / Height raising of 220 KV DC Kharghar Top worth and Kharghar Panvel TSS line between loc no. 646 to 649</td><td>15.02.2019</td><td>0.87</td></tr>
<tr><td>6</td><td>Height raising of 220 KV S/C Umred - Top with Urja feeder at Loc No. 19 to 23 executed for Maharashtra Rail Infrastructure Development Corp. Ltd.</td><td>13.02.2022</td><td>1.26</td></tr>
<tr><td></td><td>Total</td><td></td><td>11.97</td></tr>
</table>
</td><td>As the relevant expenditure booking is still going on these projects after commissioning i.e compensation etc, final expenditure will be adjustedagainst underlined deposit in March 2023 of FY 2022-23.</td></tr>
<tr><td></td><td>Thus, non-adjustment of above completed works from CWIP against the existing Current Liability, resulted in overstatement of Current Liabilities and overstatement of CWIP to the extent of ₹ 11.97 crore.</td><td></td></tr>
<tr><td></td><td>[2] Works at Sr. No. 1 to 5 amounting to ₹ 10.71 crore was executed and charge/completed for Dedicated Freight Corridor Corporation of India Ltd., under ORC deposit work.</td><td></td></tr>
</table>

C	**Comments on Notes to Financial Statements** **CSR Liability (Note 45)**	
8	In accordance with Circular no. 14 dated 24 August 2021 issued by the Ministry of Corporate Affairs regarding clarifications on CSR related work, the Company transferred ₹ 80.64 crore in April - May 2021 and ₹ 17.43 crore in April 2022 to a separate bank account 'Unspent CSR Account'. The above facts were not disclosed in Note 45 by the Company.	Note No.45 to the Financial Statement of FY 2021-22 provides the details about Provision for CSR Expenses and amount spent towards CSR Expenses during the year. With regard to the details of transfer of unspent CSR amount, the same has been transferred to separate Bank Account. The said fact will be specifically disclosed in Note no.45 from FY 2022-23.

For and on behalf of the Board of Directors

Sd/-
Dinesh T. Waghmare
Chairman & Managing Director

Place: Nagpur
Date:29.12.2022

Annexure-V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us, the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The verification/ examination of documents, books, papers, minute books, forms, returns is on the basis of documents/ information/ declarations given in e-mail as physical verification was not possible due to situation arising out of COVID 19 pandemic.

As sent in email, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(e) The Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] which is now The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

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

Electricity Act, 2003

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

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

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

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

Under Companies Act, 2013:

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

1.The Annual General Meeting for the year ended 31.03.2022 was held on 29.12.2022.The Company adopted the Audited Financial Statements, the Report of Directors & Auditors thereon alongwith the comments of Comptroller & Auditor General of India for the financial year ended 31st March, 2021 at the adjourned Annual General Meeting (AGM) held on 24.2.2022.

I further report that -

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

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

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

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

I further report that during the audit period the Company has passed Special Resolution at the Extra Ordinary General Meeting of the Members of the Company held on 14th May, 2021 and 11th June, 2021, in compliance with the provisions of Section 14 of the Companies Act, 2013 for Alteration of Articles of Association of the Company.

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

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

For A. Y. Sathe & Co.
Company Secretaries

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

UDIN: F002899D002689715
Peer Review Certificate no. 1585/2021

Place: Mumbai
Date: 12/12/2022

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

Annexure - I

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A. Y. Sathe & Co.
Company Secretaries

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

UDIN: F002899D002689715
Peer Review Certificate no. 1585/2021

Place: Mumbai
Date: 12/12/2022

For and on behalf of the Board of Directors

Sd/-
Dinesh T. Waghmare
Chairman & Managing Director

Place: Nagpur
Date:29.12.2022

Annexure VI

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2022
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2021)				No. of Shares held at the end of the year (As on 31-March-2022)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	N.A.	8984974673	8984974673	99.99	N.A.	8984974673	8984974673	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	N.A.	60	60	0.11	N.A.	60	60	0.11	-
Total shareholding of Promoter (A)	**N.A.**	**8984974733**	**8984974733**	**100%**	**N.A.**	**8984974733**	**8984974733**	**100%**	**NIL**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital - Funds	-	-	-	-	-	-	-	-	
f) Insurance - Companies	-	-	-	-	-	-	-	-	
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture - Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual - shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	
ii) Individual - shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

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

B) Shareholding of Promoter-

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

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

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

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

E) Shareholding of Directors and Key Managerial Personnel:

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters No change	00	00	00	00
	At the end of the year -	10	Negligible	10	Negligible

2. Shri. Aseem Kumar Gupta, Nominee Director

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	10	Negligible	10	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri. Aseem Kumar Gupta ceased to be Nominee Director w.e.f. 29.01.2021 and share were transferred to Shri. Dinesh T. Waghmare w.e.f. 29.12.2021	10	Negligible	10	Negligible
	At the end of the year -	0	Negligible	0	Negligible

3. Shri. Dinesh T. Waghmare, Nominee Director

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	0	NIL	0	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri. Aseem Kumar Gupta ceased to be Nominee Director w.e.f. 29.01.2021 and share were transferred to Shri. Dinesh T. Waghmare w.e.f. 29.12.2021	10	Negligible	10	Negligible
	At the end of the year -	10	Negligible	10	Negligible

4. Shri. R.D. Chavan, Whole-Time Director (Projects)

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri. R. D. Chavan ceased to be Director (Projects) w.e.f. 17.05.2021 and share were transferred to Shri. Quadri Nasir Syed Mazhar w.e.f. 29.12.2021	10	Negligible	10	Negligible
	At the end of the year -	00	NIL	00	NIL

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	0	NIL	0	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri. R. D. Chavan ceased to be Director (Projects) w.e.f. 17.05.2021 and share were transferred to Shri. Quadri Nasir Syed Mazhar w.e.f. 29.12.2021	10	Negligible	10	Negligible
	At the end of the year -	10	Negligible	10	Negligible

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): No change	00	NIL	00	NIL
	At the end of the year -	10	Negligible	10	Negligible

7. Shri. Sanjay Taksande, Whole-Time Director (Operations)

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	10	Negligible	10	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri. Sanjay Taksande ceased to be Director (Operations) w.e.f. 19.03.2021 and share were transferred to Shri. Anil V. Kolap w.e.f. 29.12.2021	10	Negligible	10	Negligible
	At the end of the year -	00	NIL	10	NIL

8. Shri. Anil V. Kolap , Whole-Time Director (Operations)

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year -	00	NIL	10	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Shri. Sanjay Taksande ceased to be Director (Operations) w.e.f. 19.03.2021 and share were transferred to Shri. Anil V. Kolap w.e.f. 29.12.2021	10	Negligible	10	Negligible
	At the end of the year -	10	Negligible	10	Negligible

9. Ms. Vineeta Shriwani, Company Secretary

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

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	538787	0	0	538787
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4250	0	0	4250
Total (i+ii+iii)	543037	0	0	543037
Change in Indebtedness during the financial year				
* Addition	177376	0		177376
* Reduction	214452	0		214452
Net Change	-37076	0	0	-37076
Indebtedness at the end of the financial year				
i) Principal Amount	501711	0	0	501711
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2807	0	0	2807
Total (i+ii+iii)	504518	0	0	504518

Note : Figures includes Ind AS adjustment

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN	Particulars of Remuneration	Chairman and Managing Director	Whole Time Director					Total Amount
		Shri. Dinesh Waghmare (01.04.2021-31.03.2022)	Shri. R.D. Chavan Dir(P) (01.04.2021-17.05.2021)	Shri. Ashok Phalnikar Dir(F) & CFO (01.04.2021-31.03.2022)	Shri. Anil Kolap Dir(Op) (05.10.2021-31.03.2022)	Shri. Quadri Nasir Syed Mazhar Dir(P) (05.10.2021-31.03.2022)	Shri. Sugat Gamare Dir(HR) (10.01.2021-31.03.2022)	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10,16,199	30,65,220	19,41,250	17,19,286	1,15,284	78,57,239
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	-	1,13,594	5,22,000	4,52,416	4,14735	31,858	15,34,603
	(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Wquity	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-
	-as % of profit	-	-	-	-	-	-	-
	Others, specify…	-	-	-	-	-	-	-
5	Others, please specify Reimbursements-Book/Orderly/Ent.allow/Prof.Pursuit	-	-	-	-	-	-	-
	Total(A)		11,29,793	35,87,220	23,93,666	21,34,021	1,47,142	93,91,842

B. Remuneration to other directors **(Amount in Rs.)**

SN	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors:					
	Fee for attending board and committee meetings – Rs.5000/- per Meeting	NA				NIL
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	Smt. Trupti Mudholkar 35000				35000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)					
	Total Managerial Remuneration					**94,26,842**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD **(Amount in Rs.)**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Ms. Vineeta Shriwani (01.04.2021 to 31.03.2022	CFO	Total Amount
1	Gross salary	NA		NA	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	25,56,912		25,56,912
	(b) Value of perquisites u/s 17(2) Income--tax Act, 1961		7,00,007		7,00,007
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0		0
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify	-			
	Total		**32,56,919**		**32,56,919**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Sd/-
Dinesh T. Waghmare
Chairman & Managing Director

Place: Nagpur
Date: 29.12.2022

Annexure VII

Annual Report on Corporate Social Responsibility

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

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

The aims & objectives of this Policy are as under -

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

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

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

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

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

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

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

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

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

1.10 Promote Socio-economic development through community development initiatives;

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

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

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

Funding of CSR activities:

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

The composition of the CSR Committee.

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

Details of CSR Fund for the F.Y. 2021-22:

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

Average Net Profit of the company for last three financial years (Rs. In Crores)	F.Y. 14-15	F.Y. 15-16	F.Y. 16-17	F.Y. 17-18	F.Y. 18-19	F.Y. 19-20	F.Y. 20-21	F.Y. 21-22	Amount unspent, if any	Reason for not spending
974.30	33.07	44.49	6.84	0	0	10.83	13.55	19.48	NIL	NIL

CSR Funds Sanctioned/ Spent during the F.Y. 2021-22 (Rs. In Crores)

SN	Project	(Rs. In Crores)
1	Contribution to Vidarbha Relief Committee, Nagpur for upgrading health system in present pandemic of Covid-19.	25.00
2	Purchase of Beds, Multipara Monitors, Bipap Machine, Ventilators etc. for Solapur Mahanagar Palika	0.50
3	Demand of CSR fund by Trisharan Enlightenment Foundation, Pune for providing training to girls and developing Zalkari Ladies Security Guard Mechanism	0.03
4.	Demand of CSR fund by Trisharan Enlightenment Foundation, Pune for counselling to 11 to 45 years old educated or uneducated workers, labours and Home Maker girls / women in trible area.	0.03
5	Contribution of MSETCL's CSR fund to District Collector, Nagpur for Covid-19 related 2020. activities in response to the appeal of Hon'ble High Court, Nagpur in PIL No.04 of 2020	2.00
6	Demand of CSR fund by the Collector, Nagpur.	4.85
7	Construction of approach road at Dharangaon village for benefit of villagers in the vicinity of 220 KV substation Malkapur, Dist - Buldhana.	2.68
8	Purchase of Educational Material for Priyadarshini Indira Gandhi Kanya Highschool, Yavaluj, Tal - Panhala, Dist - Kolhapur	0.03
9	Purchase of Educational Material for Mahatma Phule Vidyalay, Phulewadi, Kolhapur.	0.05
10	The proposal of Greentech Foundation - Artificial Limbs, Cotton Cloth Bags, Dustbin.	3.30
11	Empowerment of Farmers in the Tribal Tehsils of Nandurbar and Nashik through Vichakshan Foundation	1.28
12	Empowerment of Tribal Youth in the Tribal Tehsils of Nandurbar, Dhule and Nashik Districts through Vichakshan Foundation	1.23
13	Supply of LifeStraw Community Water Purifier for safe drinking water.	4.03
14	Procurement of cooler, fan for library and painting of Samtadoot Library, under Samtadoot Project of Dr. Babasaheb Ambedkar Research and Training Institute (BARTI), Dist - Wardha	0.01
15	Development of roads and construction of gutter at Gram Panchayat Warud, Tal & Dist - Wardha	0.33
16	Various works in the premises of Koradi Devi Mandir	18.09
17	The work of community hall & other misc. works at village Deosane, Tal - Kalwan, Dist - Nashik	0.74
18	The work of construction of Rooms of Z.P. School building & other misc. works at village Kotamgaon, Tal, Dist - Nashik	0.60
19	The work of community hall & other misc. works at village Vari, Tal - Kopergaon, Dist - Ahmednagar	0.61

20	The work of Renovation of Z.P. School building & other misc. works at village Sarole Khurd, Tal - Niphad, Dist - Nashik	0.60
21	The construction of Dining Hall for 'Late M.D. Sonawane Tribal Residential School, Tarhadi, Tal – Shahada, Dist – Nandurbar	0.25
22	Purchase of Educational Material for Divyang Schools named Sanjivani Institute, Shanivar Peth, Karad and Purchase of Educational Material for Divyang Schools named Ashadeep Vishesh Shala, Vasant Nagar, Sangali.	0.12
23	Work of closed pipe line from sub-canal in villages under Grampanchayat Nandal, Tal - Phaltan, Dist - Satara.	0.84
24	Purchase of Educational Material for Prathamik Shikshan Samittee, Kolhapur Mahanagar Palika	0.13
25	Purchase of Educational Material for Vadgaon Vidyalaya, Tal - Hatkanangale, Dist - Kolhapur.	0.06
26	Purchase of Educational Material for Shantaram Yashwant Godbole Madhyamik Vidyamandir, Kelaye, Tal - Dist - Ratnagiri	0.07
27	Purchase of Educational Material for Mahatma Gandhi Duyyam Shikshan Mandir, Harchiri, Umare, Tal - Dist - Ratnagiri	0.16
28	Purchase of Educational Material for Hutatma Ganpat Hari More Vachanalay, Khochi, Tal - Hatkanangale, Dist - Kolhapur.	0.02
29	Beautification of the garden layout at Bezanbag, Dist - Nagpur.	0.35
30	Procuring Smart Class and Video Conferencing solutions for various Govt. and Semi Govt. Institutions.	1.63

For and on behalf of the Board of Directors

Sd/-
Dinesh T. Waghmare
Chairman & Managing Director

Place: Nagpur
Date: 29.12.2022

Independent Auditor's Report

To

The Members of

Maharashtra State Electricity Transmission Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone Ind AS financial statements of Maharashtra State Electricity Transmission Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, subject to the deficiencies noted in internal controls pertaining to preparation and presentation of the Standalone Financial Statements, coupled with non-compliances and audit observations noted in "Basis for Qualified Opinion" paragraph below, the aggregate impact whereof is not quantified/ascertained, the Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

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

3.1 Attention is invited to Note no. 44 of Standalone Financial Statements giving details about accumulated Delayed Payment Charges ("DPC") as at 31 March 2022 amounting to Rs. 75,476.11 Lakhs (with reference to 1 distribution licensee) pending to be received out of Rs. 85,499 Lakhs (with reference to 3 distribution licensees) recognised as income under the head 'Other Income' during the Financial Year ("FY") 2016-17. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ("the MERC"), wherein the MERC had reduced the Aggregate Revenue Requirement ("ARR") of the Company for FY 2015-16 by Rs. 85,499 Lakhs and classifying it as 'Non-Tariff Income'. Data/ details pertaining to the certainty over the realisability of such income (i.e., Trade Receivables) are not available with the Company. The accounting of such DPC as 'Other Income' in FY 2016-17 is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in Note No. 2.15 states that "Other Income is recognized on accrual basis except when ultimate realisation of such income is uncertain". Had the Company not recognized such income of Rs. 85,499 Lakhs in the FY 2016-17, its balance of the Retained Earnings in the Reserves & Surplus would have been lesser by that amount and balance of Trade Receivables would have been lesser by Rs. 75,476.11 Lakhs.

3.2 The Company's system/ processes to ascertain provision towards leave encashment and gratuity, based on actuarial valuation needs to be strengthened, as the accuracy of data of leaves and gratuity generated from the system and furnished to the actuary for valuation could not be verified in absence of proper data. Accordingly, we are unable to comment upon the adequacy or otherwise of the actuarial valuation made in respect of leave encashment and gratuity valuations in the books of accounts, effect whereof has not been ascertained.

3.3 Party-wise break up of trade receivables with ageing is not readily available from the system. The details of Trade receivables prepared manually contained several errors and inaccuracies. Hence it could not be fully verified during the course of audit; accordingly, we are unable to comment upon non-provision based on simplified version of Expected Credit Loss ("ECL"). Further details/ breakup/ confirmations of Trade receivables aggregating to Rs. 3,19,197.80 Lakhs (net of provision for doubtful debts) sought for, were not made available for verification during the course of audit. Consequential impact of ascertainment of the realisability from these Trade Receivables and resultant provision, if any, for bad and doubtful debts on the Standalone Financial Statements has not been ascertained. Accordingly, we are unable to comment upon adequacy of amounts disclosed under Note No. 33 relating to ageing of Trade receivables to the Standalone Financial Statements.

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

Without prejudice to the generality of the above, based on the scrutiny of available details of Asset register (ar02) during the course of our audit, it was noted that several items of PPE whose useful life has fully exhausted totalling Rs. 4,39,956.45 Lakhs (Gross Book Value) and Rs. 3,72,701.75 Lakhs (Accumulated Depreciation) are part of said register, resulting in overstatement of the value of PPE to that extent subject to discrepancies as may be noted if physical verification programme is carried out by the Company.

3.5 The Company has not maintained adequate details pertaining to items/ components giving rise to Deferred Tax Assets/ Liabilities (“DTA”/ “DTL”). In absence whereof the recognition, reversals and disclosure of the DTA/ DTL not being complete and correct, the impact thereof on the Standalone Financial Statements is not ascertained.

3.6 Based on the scrutiny of available details of Freehold Land under PPE, it was noticed that in the past, several items of Leasehold Land have been clubbed under Freehold Land and vice versa; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/ details of such instances, the impact thereof on Standalone Financial Statements is not ascertained.

3.7 It is noticed during the course of our audit that 66KV substations/ transmission lines having Gross Book Value amounting to Rs. 14,093.18 Lakhs and Accumulated Depreciation amounting to Rs. 10,380.01 Lakhs as at 31 March 2022 are not in use for the operations of the Company. Pending testing for impairment of the same, we are unable to comment upon the carrying value of such assets in the books of accounts.

3.8 It is observed from the SAP generated report (4.4 – Capex Report) by the Company, negative capital expenditure is charged to (reduced from) some schemes amounting to Rs. 3031.99 Lakhs for which no plausible explanation could be provided. To that extent, Assets under Construction ('AUC')/ Capital Work in Progress (“CWIP”) in the Balance Sheet is understated. Further, there is no movement in some AUC line items since last more than three years, indications of impairment if any have not been tested by the Company for making appropriate provisions, impact thereof on the Standalone Financial Statements cannot be commented upon.

3.9 With effect from 01 April 2019, the Ind AS 116 "Leases" became effective. The Company has adopted the new standard with modified approach and recognized asset in the form of 'Right to Use' (representing its right to use the leased asset over the lease term) and also liability towards present value of the balance of future lease payments for the leases. However, due to non-availability of lease documents and other records relating to several properties taken under lease, the Company is not able to identify and recognise the 'Right to Use' of said leases, hence no treatment was given in terms of provisions of Ind AS 116 for such leased assets. Impact thereof on the Standalone Financial Statements has not been ascertained.

3.10 The policy about inventory valuation of the Company (Note No. 2.14) states that inventories are valued at lower of cost or net realizable value (“NRV”) but in course of our audit it is noticed that the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Standalone Financial Statements is not ascertained.

3.10.1 The Company does not have laid down policy and procedures pertaining to materials/equipment's given to vendors/third parties on loan basis, the details of such items were asked for from all the seven zones of the Company. However, the same were not received from any zone for our verification. In absence of complete details and monitoring of such items we are unable to comment on impact thereof on the Standalone Financial Statements.

3.10.2 Further, as observed the transformers are sent for repair by zonal offices to vendors without appropriately monitoring the records relating to such despatch and its return including matters pertaining to qualitative aspects of such repairs. In absence of necessary details from all the zones of such items we are unable to comment on impact thereof on the Standalone Financial Statements.

3.11 No inventory or data/ details/ description could be furnished for verification for the “Assets not in use – held for sale” (GL code 222010) amounting to Rs. 5,517.75 Lakhs being its Net book value; moreover, such assets are held at their carrying value instead of “lower of carrying value or net realizable value”. Impact, if any, thereof on the Standalone Financial Statements has not been ascertained.

3.12 The government Grants received by the Company amounting to Rs. 23,850 Lakhs in FY 2006-07 towards capital assets for specific projects out of which Rs. 14,683.83 Lakhs are deferred for recognition as revenue as at 31 March 2022. The details of these grants with specific assets there against and conditions to be satisfied for the same are not made available for our verification. Hence, correctness/completeness thereof pertaining to accounting in terms of provisions of Ind AS 20 “Accounting for Government Grants and Disclosure of Government Assistance” cannot be commented upon.

3.13 The Company does not collate, maintain and present the details of dues to its vendors registered under Micro, Small and Medium Enterprises (“MSME”) Development Act, 2006 (“the MSMED Act”). Accordingly, the Company has not paid or accrued interests on payments or outstanding dues to the MSME Vendors as required under provisions of the MSMED Act. Impact, if any, thereof on the Standalone Financial Statements has not been ascertained.

3.14 The prior period items of income and expenses have been disclosed by the Company in Note No. 49 but the same have not been restated in the respective previous years as mandatorily required under Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Impact thereof on the Standalone Financial Statements has not been ascertained.

3.15 Pursuant to Central Electricity Regulatory Commission (“CERC”) order dated 19 December 2017 pertaining to FY 2014-15, the Company has recognised an amount of Rs. 2,657.44 Lakhs and Rs. 599 Lakhs as income during the FY 21-22 and FY 2020-21 respectively as against receipt of Rs. 10,789.41 Lakhs, which until FY 2019-20 was not accrued fully as income. Impact of the said order for earlier periods remains to be given in the books of account, as a result of which, profit in Standalone Statement of Profit and Loss would be lower and Advance from Customer would be higher by the amount which has not been ascertained.

3.16 The deposits from customers towards Outright Contracts ('ORC') amounted to Rs. 1,23,145.85 Lakhs as at 31 March 2022. The company recognises its supervision fees upfront as income on receipt of deposits and not as and when supervision services are provided, which is contrary to the provisions of Ind AS 115 “Revenue from Contracts with Customers”.

3.16.1 Further, attention is invited to Note No. 2.19(c) of the Standalone Financial Statements on “Accounting of Contributions received from Consumers against Outright Right Works (ORC Schemes)”. As informed during the course of audit, there is specific policy on ORC assets/ liabilities and income thereon, but the same was not observed to have been followed by the Company, impact of which could not be ascertained in absence of relevant data/ details.

3.17 The basis, quantum and completeness could not be ascertained, in course of our audit, in the absence of required data/ details relating to the following items of revenue recognised during the year under report:

GL Code	GL Description	F. Y. 2021-22 (Rs. In Lakhs)
300040	Revenue Towards Short term open Access Charges	(934)
300070	Rescheduling Charges	(643)
300080	Revenue from Additional Transmission and Regulatory	(11,212)
310010	Interest from Staff loans and advances	(9)
310020	Interest from investment in bank deposits	(1,555)
325010	Rental from staff quarters	(45)
330010	Sale of scrap (no cost assigned for scrap)	(913)
330020	Sale of Scrap Asset	(105)
335010	Gain/Loss on sale of Fixed Assets	(1,219)
350020	Sundry Credit Balances Written Back	(1,140)
370010	Short Term Open Access Charges	(2,309)
380041	Other Miscellaneous Receipts (Non-GST)	(4,285)
380060	Liquidated Damages Recovered from Contractor	(2,052)
380100	Bay Maintenance / O&M Charges received	(740)
380120	Amortisation of Government Grant Received	(1,724)
380141	Remittance of Distribution Licensees collected from Parties	(3,075)

3.18 Attention is invited to Note No. 38 of the Standalone Financial Statements giving details about “Contingent Liabilitis and Contingent Assets”, full details including the claims/demands pertain to taxes as required under the statute are not accurately maintained. Hence, it could not be fully verified during the course of audit. Accordingly, we are unable to comment upon adequacy of provisions based on details made available to us.

3.19 The amounts (in excess of Rs. 1 Lakh, other than statutory dues accounts) remaining and recognized in the following GL heads/ codes are subject to confirmation and reconciliation. The necessary data/ details pertaining to following were not made available during the course of audit for verification:

GL Code	Name of Account heads	FY 2021-22 Rs. In Lakhs Asset/Expenses (Liability/Income)
100050	Grants towards cost of Capital Assets	(14,684)
100054	Grant in Aid from GOI	(469)
101070	Reserve for LDCD Funds	(4,284)
101060	Scholarship, NSC, Cash prize, Death Assistance	2
122010	Deferred Tax Liability	(2,46,674)
123030	Security Deposits	(7,983)
123040	Security deposits of jobs/works	(7,353)
123050	Earnest Money Deposits from Vendors	(1,200)
123060	Retention money of Vendor	(77,386)
123061	Risk & Cost Adjustments	(5,939)
123070	Misc. Deposits from Vender	(22)
123090	Advances from Customer	(65)
123100	Other Deposits from Consumers- O. R. C. Deposits	(1,23,146)
123110	GL for liquidity charges from vendor	(12,126)
130010	GR / IR Clearing Account	(6,583)
130020	EMD Dummy entry	(222)
131010	Sundry Creditors Payable Domestic (other than SME)	(18,461)
133010	Sundry Creditors - Inter Company	(4,240)
134010	Sundry Creditors Employees	(12)
140060	Miscellaneous Deposits from Employee	(37)
140100	Income tax deducted at source TDS payable salaries	(207)
142010	Provision for Income -Tax	(3,51,571)
143030	TDS PAYABLE CONTRACTOR 194C	(121)
143031	TDS PAYABLE ON OSL PROVISION	(29)
143060	TDS PAYABLE PROF. FEE / TECH SERVICES 194J	(9)
146010	Deduction of Labour Cess Amt	(48)
150010	Provision for Capital Works	(12,075)
150011	Provision for TDS against GR/IR	15
150030	Provision for Expenses - Others	(3,063)
150040	Provision for Expenses - Employees	(3,884)
150070	Provision for loss pending investigation	(723)
150130	Provision for Interest on Late Payment of Service	(264)
150140	Provision for Tree/Crop/Land Compensation	(1,429)
160010	Liability towards staff welfare Fund with Board	(667)
160020	Board of Trustees P.F. & Final Settlement	(1,922)
160030	MSEB Employees Dependent Welfare Trust A/c	(6)
165010	Stale Cheques	(406)
170010	Designated Current Account for third party	(6,575)
209670	SLDC Hardware	425
209680	SLDC Telephone Equipment	51
209690	SLDC Spare	45
223030	Expense on Survey for Study for not sanctioned projects	247
223040	Pre-Operating Expenses for land acquisition on Unsanctioned Schemes	557
230050	AUC Cost of Land Development on Leasehold Land -Volt.G1	56
230060	AUC Cost of Land Dev on Leasehold Land -Volt.H2	50
237010	AUC Others	25,369

GL Code	Name of Account heads	FY 2021-22 Rs. In Lakhs Asset/Expenses (Liability/Income)
237020	AUC LE	3,338
237030	AUC ORC	18,311
237060	CWIP (Government Grant Impact)	2,319
240100	Fixed Deposit with bank	22,760
255020	Loss due to Material pending investigation	168
255040	MASA Stock (Physical Verification of Inventor	(114)
256010	Obsolete materials stock (including scrap)	615
260011	STU Sundry debtors for Trans. Charges	2,21,596
260031	STU Sundry Debtors for STOA / SLDC Charges	1,207
260040	Sundry Debtors - Others	92,796
260050	TDS Certificate Receivable	10
260060	Sundry Debtors - Inter Unit Account	2,078
260080	TDS Receivable - Transmission Charges	29,105
285310	MSPC UI Settlement Op. A/c (FBSM)	6,575
290010	Advances to Contractors /Suppliers - O&M	2,306
290020	Capital Advance for Projects	542
292050	Loans & Advances to Staff -- Computer Advance	104
292060	Loans & Advances to Staff- Int. Free Travelling Allowance	8
292080	Loans & Advances to Staff- Int. Free Festival Advance	155
292120	Advance against Gratuity to Staff	8
293010	Advance Income Tax	2,58,071
293011	TDS Certificate Received	264
293013	TCS Payable u/S 206C (1H)	9
293014	TDS receivable -sec 194O	28
293040	Income Tax Deducted at source - Other Recipients	63,384
293050	Miscellaneous Loans & Advances	6
293060	Self-Assessment Tax- Income tax	31,972
294010	Income Accrued and Due on Fund Investments	304
294030	Income Accrued but not Due on Staff Loans & Advance	27
295010	Amount Recoverable from Employee	7
295030	Training Fees Paid To ITI To Be Recovered from Dependent of Deceased Employees	24
296030	Miscellaneous Amount received from SEB Government Departments Local & Private Bodies	709
296050	Expenses recovered from Suppliers	115
296060	Expenses recovered from Contractors	155
296061	Receivables considered Doubtful (RDD)	11,614
297010	Deposit With Telephone Authorities	19
297020	Other Deposits	3,976
400010	Repairs & Maintenance (All Transmission)	38,235
400050	Material Consumption - Project	18
430110	Outsource Personnel Salary	10,417
440090	Upkeep of office	1,094
440100	Security Measures - contract basis	10,233
440140	Commission on Sale of Scrap	72
446010	Sundry debit Balance written off	430
447020	Loss to fixed asset/stock on account of flood	9

The effects of adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write-back thereof is not ascertained. Further, in absence of necessary data/ details, the bifurcation of items of assets/ liabilities under 'Current' or 'Non-current' head could not be accurately verified.

Other Information

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

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

6. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's responsibility for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (“Ind AS”) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

11.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

11.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

11.4 Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

11.5 Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

14 As required by the 'Directions and sub directions' issued by office of the Principal Accountant General-III, Maharashtra in terms of Section 143(5) of the Act, we give in the "Annexure A" a statement on the directions and sub-directions.

15 As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India ("the CG") in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

16.1 We have sought and obtained, except as noted in para 3 above, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

16.2 In our opinion, except as noted in para 3 above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

16.3 The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

16.4 Except as noted in para 3 above, in our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act.

16.5 In view of exemption given vide notification no. 463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of section 2(45) of the Act, provisions of section 164(2) of the Act pertaining to disqualification of Directors, are not applicable to the Company.

16.6 With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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

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

(i) Except as noted in para 3.18 above, the Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone Financial Statements – Refer Note no. 38 to the Standalone Financial Statements.

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

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

(iv) The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(v) The management has also represented that no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(vi) In our opinion and according to the information and explanations given to us, the Company has not declared or paid any dividend during the year.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W-100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494BABKLO5429

Place : Mumbai
Date : 17 October 2022

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of the Maharashtra State Electricity Transmission Company Limited ("MSETCL") for the year ended 31 March 2022
(Referred to in paragraph 14 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Sr. No.	Directions / Sub directions	Auditor's Comment
	Directions under sub-section (5) of section 143 of the Companies Act, 2013 Our report/findings on directions and sub-direction of CAG should be read in conjunction with our statutory audit report of even date on the Standalone Financial Statements of the Company for the year ended 31 March 2022, more particularly paragraph 1, 2 and 3 thereof.	
1	**To report whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**	Yes, the Company has an ERP i.e. SAP system to process all the accounting transactions through IT system. In course of our audit, it was noticed that invoices generated by the Company's Accounting unit (profit center) and depreciation calculations are manually worked out and then fed into the system. [Please refer para 3.4 of our audit report dated 17 October, 2022 on the stand alone financial statements of the Company]
2	**To report whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?**	No restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender of the company due to company's inability to repay the loan.
3	**Whether funds (grants /subsidy etc.) received /receivable for the specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**	Please refer para 3.12 of our audit report dated 17 October, 2022 mentioning that details of grants received in FY 2006-07and covenants etc are not accurately maintained by the Company. Also refer para 3.17 (GL code 380120) and para 3.19 (GL code 100050, 100054, 237060) of our said audit report. Further, please refer note No. 30 to the Standalone Financial Statements for the details of grants and the status thereof.
	Sub-directions under sub-section (5) of section 143 of the Companies Act, 2013	
(I)	**Whether there is appropriate classification of Inventory with value such as Scrap, Obsolete Material etc.**	Inventory has been classified under different GL Codes as under:

GL Codes	Description of Inventory	As at 31 March 2022 (Rs. In Lakhs)
250010	Steel	1051.72
250030	Transformers	7503.04
250040	Metering Equipment & substation Equipment	9112.08
250050	Cables & Conductors	7218.31
250080	Spares	1076.84

GL Codes	Description of Inventory	As at 31 March 2022 (Rs. In Lakhs)
280090	Others	2209.18
255020	Loss due to Material pending investigation	167.76
255040	MASA Stock rectification	(114.34)
256010	Obsolete Material Stock (including scrap)	614.85

W.r.t. carrying value of the items of inventories, please refer statutory audit report of even date on the Standalone Financial Statements of the Company, particularly para 3.10 and 3.19.

(II)	**Negative balances under "Advances to Contract" may be analyzed and commented with reasons and impact on financial statements**	Negative balances under "Advance to Contractor" has been observed and list of such vendor code along with its balance as on 31 March 2022 is enclosed herewith in **Appendix- I**. As regards its impact on financial statement we are unable to comment on the same. Please refer to our 'Basis for Qualified Opinion' under para 3.19 of the statutory audit report of even date on the Standalone Financial Statements of the Company.
(III)	**Whether Profit / Loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company?**	Yes, except impact, if any, arising out of matters stated under para 3 of statutory audit report of even date on the Standalone Financial Statements.
(IV)	**Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.**	We have not carried out technical verification of the information required under this clause. Based on the information, explanation and representation received from the management the transmission network of the company is given in the table below:

Voltage Level	EHV Substation	Transformation Capacity (MVA)	EHV Lines (CKT KM.)
765 KV	1	3,000.00	0
500KV HVDC	2	3,582.00	1,504.00
400KV	32	32,733.00	8,440.00
220KV	241	58,240.00	18,973.00
132KV	346	30,555.00	17,832.00
110KV	38	2,480.00	1,764.00
100KV	39	2,823.00	705.00
66KV	7	170.5	594.8
Total	**706**	**130595**	**49166.43**

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

HVAC System (MERC Benchmark 98%)		
Year	2021-22	2020-21
Availability	99.67%	99.67%
HVDC System (MERC Benchmark 95%)		
Year	2021-22	2020-21
Availability	**94.27%	*93.64%

* Emergency Outage of 983.49 hours availed on HVDC Pole 2 to attend the major problem of smoothing Reactor.
** Annual Outage of 410 hours availed on HVDC Pole 1&2. Emergency Outage of 156 hours availed on HVDC Pole 2 to attend the oil leakage of smoothing Reactor. 253 hours for Pole-2 Converter transformer replacement.

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

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

The benchmark set by MERC for Transmission Losses is 4.85% and the Transmission Losses incurred by MSETCL during the FY 2021-22 as computed by Maharashtra State Load Dispatch Center (MSLDC) are tabulated below:

Intra State Transmission System (In. STS) Grid Loss for FY 2021-22	Energy Input Intra STS	Energy Output Intra STS	Transmission Loss
Month	**(In Million Units)**	**(In Million Units)**	**(In %)**
Apr-21	15446.81	14955.50	3.18%
May-21	14348.88	13937.65	2.87%
Jun-21	12728.66	12312.08	3.27%
Jul-21	13057.91	12618.60	3.36%
Aug-21	13914.13	13441.19	3.40%
Sep-21	12587.28	12185.70	3.19%
Oct-21	13669.94	13244.03	3.12%
Nov-21	13854.01	13435.25	3.02%
Dec-21	13688.89	13277.93	3.00%
Jan-22	14124.04	13671.25	3.21%
Feb-22	13885.83	13417.56	3.37%
Mar-22	17000.62	16434.69	3.33%
Total	**168307.00**	**162931.43**	**3.19%**

From perusal of the table above, it is evident that Transmission Losses incurred by MSETCL was 3.19% which is below the MERC's benchmark. The said loss in accounting parlance is to be termed as “Normal Loss” not requiring any separate accounting in the books of accounts.

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

Based on the information, explanation and representations received from the management of the Company, the details in this regard are as under:

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

The details of ORC works across its different zones, as provided by the management, are given in the table below: -

Sr. No.	Zone	ORC works as at 01.04.21 (Nos.)	ORC works added during the year (Nos.)	ORC works completed during the year (Nos.)	Balance ORC works remaining as at 31.03.22 (Nos.)
1	Amravati	6	6	4	8
2	Aurangabad	13	8	6	15
3	Karad	7	1	0	8
4	Nagpur	21	10	5	26
5	Nasik	13	3	0	16
6	Pune	118	9	10	117
7	Vashi	72	2	1	73
Total		**250**	**39**	**26**	**263**

		In course of execution of the ORC works, deposits are taken from parties for whom the Company performs/ executes such ORC works. Such ORC deposits are accounted for under GL Code 123100 which has an outstanding balance of Rs. 1,23,145.85 Lakhs (Previous Year Rs. 1,13,639.57 Lakhs). It was observed that old unreconciled balances are appearing in the said ledger for which details were not readily available with the respective profit centers within said seven zones of the Company. However, it is to be noted that the ultimate ownership of such assets is with the Company only. The Assets are not handed over to the Other Agencies. The deposits collected from them is adjusted against the Assets constructed and a nominal value of Re. 1 is kept in the Asset Master for identification. Company also executes projects for evacuation of power in case of generation of energy from non-conventional sources. As per accounting policy 2.19(B), 50% of the cost of such power evacuation project is borne by the Company and balance 50% is to be reimbursed by Maharashtra Energy Development Agency (MEDA) to the respective private developer. In such cases also, there is no hand over of the assets to the other agencies. Execution of MEDA project is done in two ways. (i) Wherein the vendor gives the entire amount beforehand for execution of the project to the Company as ORC deposit and the Company after the execution of project reimburses 50% to the vendor and creates the asset of the same value and the remaining 50% is paid by MEDA to the vendor. (ii) Wherein the vendor itself executes the project and the Company subsequently pays 50% of the cost of project to the vendor and MEDA reimburses the remaining 50% to vendor. The amount payable by the Company to the vendor/ private developer is accounted for under GL code 131010. It has been observed that both such GL codes (123100 & 131010) remain unreconciled as at the year end. Complete details of such projects falling under MEDA grant are not readily available with the Company. As a result, whether Asset Capitalization of such MEDA projects is accurate or not cannot be commented upon. "Substantial amount of employee, admin and other costs are not being loaded to ORC works and for the appropriate calculations at the time of estimations." Please refer statutory audit report of even date on the Standalone Financial Statements of the Company, particularly para 3.16, 3.16.1 and 3.19 (GL Code-237030).
VII	**Examine whether the provisions of the Companies Act were followed w.r.t reporting and disclosures of CSR Activities.**	Please refer paragraph (xx) (a) and (b) of Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements.
VIII	**Items contained in the inspection report of CAG in previous year and remaining open till the date of Balance Sheet under report**	Please refer **Appendix II-(a)** and **Appendix II-(b)** to this report for the list of such items.
	Other Matters	Scope of internal audit needs to be enhanced to make the same commensurate with the size of the Company and its nature of the business.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W-100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494BABKLO5429

Place : Mumbai
Date : 17 October 2022

Appendix I - Vendor Codes having Negative Balances

Vendor Code	Balance as at 31 March 2022 (Rs. in Lakhs)	Vendor Code	Balance as at 31 March 2022 (Rs. in Lakhs)	Vendor Code	Balance as at 31 March 2022 (Rs. in Lakhs)
4000000014	(6.11)	4000000133	(218.10)	4000000425	(179.78)
4000000043	(95.40)	4000000140	(46.20)	4000000442	(3.52)
4000000052	(51.18)	4000000167	(7.13)	4000000450	(288.27)
4000000064	(53.56)	4000000296	(59.91)	4000000875	(97.66)
4000000066	(104.31)	4000000359	(32.59)	4000001067	(114.77)
4000000071	(0.71)	4000000375	(64.80)	4000001072	(0.53)
4000000093	(241.14)	4000000389	(5.72)	4000001895	(9.96)
4000000111	(24.96)	4000000399	(137.95)	4000002558	(0.25)
4000000112	(1.45)	4000000400	(1.35)	4000003697	(17.01)
4000000115	(128.24)	4000000417	(36.43)	4000004214	(9.31)
4000000117	(11.26)	4000000424	(149.41)		

Appendix II (a) - Items contained in the Inspection report of CAG for FY 2020-21 and remaining open as at 31 March 2022

Sr. No.	CAG's Comments	MSETCL's Reply	Auditors' Remarks
A	**Comments on Financial Position**		
	Balance Sheet		
1	**Property, Plant and Equipment (Note: 4.1): Rs.16,224.71 Crore**		
(a)	The Company had handed over most of the 66 kV sub-stations and lines to M/s MSEDCL between 1989 and 2021, however, these assets were not removed from the fixed assets as mandatorily required under Ind AS 16. This has resulted in - 1. Overstatement of gross block of fixed assets, accumulated depreciation and carrying cost to the extent of Rs. 140.24 Crore, Rs. 102.78 Crore and Rs. 37.46 Crore respectively. 2. Understatement of trade receivables from MSEDCL to the extent of Rs. 24.73 Crore. 3. Provision for expected loss of Rs. 12.731 Crore towards impairment loss not charged to profit and loss account; consequently, profit for the year was overstated to the same extent. 4. Carrying cost of the 174.24 kms of dismantled lines amounting to Rs. 0.80 Crore was not recognized as loss resulting in overstatement of profit for the year to the extent of Rs. 0.80 Crore.	The Company was having transmission network level ranging from 66 KV to 765 KV. In order to standardize the transmission level throughout Maharashtra, it was decided to abolish/eliminate 66 KV from the transmission network of the Company. Most of the abolished and decommissioned sub-stations and lines at 66 KV level were handed over to M/s MSEDCL and remaining sub-stations and lines would be handed over to MSEDCL or will be utilized by MSETCL for up-gradation work, if any, in near future after ensuring arrangement for feeding the existing consumers. With regard to the above facts the modalities of de-recognition, disposal and for determining consideration for such transfer of Assets of 66 KV level will be decided in consultation with technical team and necessary accounting entries will be passed accordingly in compliance with Ind AS-16.	The concerned matter is covered in Para 3.7 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2021-22". As further noticed, handing over of 66KV sub stations/ TL to MSEDCL is not supported or reflected by any written document or execution of transfer agreements.
(b)	This included unused assets with a gross block of Rs. 144.67 Crore, accumulated depreciation of Rs. 109.14 Crore and carrying cost of Rs. 35.53 Crore. The Company has not ascertained the indication of impairment of these assets. Loss on this account and consequent overstatement of profit could not be ascertained for want of details.	As per the details available in field units, the GL 222010 "Asset not in use" includes material/assets which are removed from Asset Register as the same are not in active use. This group consist of items which are sent for repair which may again be put to use after repairs and items of scrapable in nature which are to be disposed off after proper approval of the Competent Authority. These assets being not in active use are not offered for impairment test as items of scrapable nature would be disposed off with or without gain in the realizable value. The proper treatment can only be ascertained after the scraping procedure is completed.	The concerned matter is covered in Para 3.11 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2021-22".

2	**Capital Work in Progress (Note 4.2):Rs.3,342.81 Crore**		
	The Company decided to dismantle 79 tower foundations and 69 towers constructed at a cost of Rs. 25.17 Crore in the Giant Metrewave Radio Telescope (GMRT) area of the National Centre for Radio Astrophysics (NCRA). As no future economic benefits can be derived from the same, cost of the towers should have been withdrawn from the WIP in terms Ind AS 16 and the Accounting Policy of the Company, which was not done. This has resulted in- a. Overstatement of Capital Work-in-progress to the extent of Rs. 25.17 crores. b. Understatement of expenses to the extent of Rs. 3.23 Crore being the irrecoverable cost of the civil foundation of towers and consequent overstatement of profits for the year to the extent of Rs. 3.23 Crore. c. Out of Rs. 21.94 Crore, cost of useable towers should have been taken into stock and the balance charged to profit and loss account. Financial impact on this account is not ascertainable for want of details.	With regard to 400KV Babhaleshwar – Kudus line, since the work of 79 foundations and 60 erections was executed by the agency, the above expenditure is booked and considered in the actual cost of Project. Since this had become an unidentified additional expense, considering this expenditure, the budget enhancement proposal was proposed and has got approved from Competent Authority. Further, considering the additional work of these abandoned towers, and their dismantling work, the quantity variation proposal was proposed and has got approved from Competent Authority. As per the expert committee recommendation, the additional material required for diversion of line as per technical specifications given by expert committee, the extra item proposal was proposed and has got approved from Competent Authority. Thus, the Competent Authority has revised and revalidated the MBR 56/20 Dt.24.08.2010 considering all the additional expenses required for this line diversion and have approved the new MBR No. 146/21 Dtd.16.03.2021. A proposal for write off will be put up for approval from Competent authority for moving the above mentioned WIP expenditure of RS.3.23 Cr to P&L account. If approved by Competent authority, the booking of loss will be done as mentioned. The 60 Nos of towers which will be dismantled are to be reutilized to other locations (Vashi Zone and Nashik Zone). The cost of these towers are Rs.21.94 Cr. The work of dismantling is under progress and the process of requisite entries is being done in SAP accordingly.	The concerned matter was enquired in course of our audit for FY 2021-22. The management response was similar to the response given here.

B	**Comments on Disclosures**		
	In response to the CAG Comments on the Standalone Financial Statements for the year 2019-20, the Company assured to pass necessary corrective entries during 2020-21. However, the following assurances were not complied with. Decommissioning of transformers costing 8.32 crore due to theft of copper in it by the repairing agency.	The Company is in the process of identifying and de-recognition of Assets given to M/s Aditya Vidyut Appliances for repair purpose.	Status Quo remains. The concerned matter was enquired in course of our audit for FY 2021-22. The management response was similar to the response given here.
C	**Comments on Auditors' Report**		
	Under para 2.18 and 2.22 of the modified Opinion of the Auditors on the Standalone Financial Statements, the Auditors have modified on the non-furnishing of details/data (19 general ledgers) and non-conformation and reconciliation of the data (116 general ledgers) by the Company. The modified opinion of the Auditors has been given in general and non-specific terms by including a list of most of the important general ledger balances which have major financial impact on the financial statements. The modified opinion does not include specific observations on the financial activities of the Company and its impact on the financial statements. Thus, the members of the company and other stakeholders are not appraised of the modified opinion on many financial aspects of the standalone financial statements.	Necessary reconciliation / information and other details would be provided to Statutory Auditors in FY 2022-23 and take all possible efforts to remove these GLs from the list of qualification in Audit Report of FY 2021-22.	The concerned matter is covered in Para 3.17 and 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2021-22”. The necessary data/details and supporting documents relating to items appearing under the GL codes stated under para 3.17 and 3.19 are not yet made available to us in course of our audit. In absence of such requisite details like confirmations, reconciliations, workings, cost centre wise details with underlying evidential documents, we had no other option but to include these GL codes as part of our qualifications.

Appendix II (b): - Items contained in the Inspection report of CAG prior to FY 2020-21 and remaining open as at 31 March 2022

Sr. No.	CAG's Comments	MSETCL's Reply	Auditors' Remarks
A	**Comment on Profitability**		
	Statement of Profit & Loss		
1	**Other Income (Note 22):**		
(a)	This includes Rs. 3.81 Crores, being the supervision charges deposited by third parties in three circles for Outright Consumers works for which the works are not taken up/completed. This resulted in overstatement of Other Income and profit and understatement of Other Non-current Liabilities by Rs. 3.81 Crores.	As per Para 35 of Ind AS 115, an entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs, or (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced, or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. MSETCL does not fulfil any of the above criteria and hence recognizes revenue on the basis of receipts in its books of Accounts.	The concerned matter is covered in Para 3.16 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 2021-22".
(b)	This does not include Rs. 30.46 Crores being interest recoverable on mobilisation advances which should have been recognised. Non recognition is not in conformity with the accounting policy adopted by the Company. This resulted in understatement of other miscellaneous income and profit for the year by Rs. 30.46 Crores and understatement of Trade Receivables to that extent.	As per the accounting policy of the company disclosed under Note No 2.15 of the Standalone Financial Statements, interest income is accounted on accrual basis considering the certainty of the revenue. Further, the purpose of retention amount and bank guarantees with the Company is to secure performance of the contract and not to recover interest which is yet to be accepted by the agencies. With regard to the interest on mobilization advance given to contractors, the company has initiated the process to recover the same and its recognition as income in books of account.	The concerned matter (of GL Code 123060 and 290020) is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".

2	**Other Expenses (Note 26): Security Expenses**		
	This does not include Rs. 6.39 Crores being applicable GST on security expenses for the year. Non provision for GST resulted in understatement of expenses and overstatement of profits by Rs.6.39 Crores and understatement of Other Current Financial Liabilities to the extent of Rs.14.08 Crores (including Rs. 7.69 Crores GST liability for the previous years).	As per Circular No. 89/7/2006- ST Dated: 18th December, 2006, sovereign/public authorities (i.e. an agency constituted/set up by government) perform certain functions/ duties, which are statutory in nature. These functions are performed in terms of specific responsibility assigned to them under the law in force. The activities performed by the sovereign/public authorities under the provision of law are in the nature of statutory obligations which are to be fulfilled in accordance with law. Such activity is purely in public interest and it is undertaken as mandatory and statutory function. These are not in the nature of service to any particular individual for any consideration. Therefore, such an activity performed by a sovereign/public authority under the provisions of law does not constitute provision of taxable service to a person and, therefore, no service tax is leviable on such activities. Considering the above facts security expenses being charged by SGB to MSETCL is exclusive of GST.	The concerned matter was enquired in course of our audit for FY 2020-21 as well as FY 2019-20. The management response was similar to the response given here. We relied thereon.
3	**Other Expenses (Note 26): Miscellaneous Losses and Provisions**		
	This does not include provision on disputed transmission charges of Rs.49.68 crore already recognised but pending before the Appellate Tribunal for Electricity. The transmission licensee (M/s Sai Wardha Power Generation Ltd.) is also under the Corporate Insolvency Resolution Process. Non-Provision on the disputed claim is not in conformity with Ind AS 18 - Revenue resulting in understatement of other expenses and over statement of trade receivables with consequent overstatement of profit for the year by Rs.49.68 crore.	There is a valid Bulk Power Transmission Agreement (BPTA) with M/s SWPL in pursuance of which invoices has been raised for transmission charges for the allocated capacity of 130/135 MW coupled with favourable decision of Hon'ble MERC in the instant matter. Though the matter is further pending with APTEL for its final decision, NCLT has initiated corporate insolvency proceeding against M/s SWPL under Insolvency and Bankruptcy Code 2016 (IBC), wherein IRP has been appointed and admitted a claim of Rs. 34.00 crore against the total claim lodged by the Company of Rs. 119.51 crore keeping the balance amount of claim as contingent claim. It is noteworthy that the IRP has not rejected any amount of claim made by the company. Recently, NCLT has issued an order dated 17/10/2019 in the matter of IBC proceedings against M/s SWPL approving the Resolution plan submitted by the Resolution	Status quo remains. The concerned item is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22”.

		applicant wherein the admitted and contingent claim of operational creditors has been proposed to be paid in the phased manner within a period of 24 months as per the Resolution plan incorporated in the said order. In view of above, the provision for doubtful debts (Rs.8851.41 Lakhs) made in the books of accounts for the said receivable amount seems to be sufficient and hence no further provision has been made in the F.Y. 2021-22. MSETCL received Rs. 15 lakhs vide NCLT order no. 275/7/HDB/2019 dated 17/10/2019 as against the company claim of Rs. 119.51 crore. Further, MSETCL filed for appeal in NCLAT. NCLAT dismissed the appeal in Order No. 1401/2019 dated 03/02/2020. MSETCL has filed for appeal in SC to challenge NCLAT order.	
B	**Comments on Financial Position**		
	Balance Sheet		
1	**Capital Work-in –Progress (Note 4.2):**		
(a)	This includes Rs. 2.70 Crores being deposits taken from parties for construction of bays which had been allotted during the year. However, the amount was not adjusted from deposits. This resulted in overstatement of Other Non-current Financial Liabilities (Other deposits) and overstatement of other non-current assets by Rs. 2.70 Crores.	The reconciliation is in process and the deposit will be knocked off against the assets in FY 2022-23.	The concerned item is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
(b)	This includes Rs 217.00 Lakhs incurred by the Company towards the security charges at work site which was recoverable from the Contractors. This has resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables to the extent of Rs. 217.00 Lakhs.	MSETCL had awarded the work of 220KV Nandgaon Peth Substation ("S/Stn") and 220KV Anjangaon S/Stn along with its associated lines in Amravati District and 220 KV Malegaon S/St and 132 KV Jalgaon Jamod S/Stn along with their associated lines in Buldhana District to M/s ECI -Shanghai JV. However, due to non-performance of M/s ECI-Shanghai JV, MSETCL had terminated their EPC contract vide letter MSETCL / ED(P) / EPC / 6243 dated 08/05/12. In order to safeguard the materials and assets w.r.t. the above-mentioned projects lying at the above-mentioned sites and to avoid the possibility of theft, the competent	Status quo remains. The concerned matter was enquired in course of our audit for FY 2021-22. The management response was similar to the response given here.

<table>
<tr><td></td><td></td><td>authority decided to provide MSETCL's security at those sites. Thus, the expenditure so incurred on providing services of security guards during the period 2011-12 to March 2017 was accounted for under Capital Work in Progress.

MSETCL, in turn has awarded the contract on 'risk and cost basis to other contractors for completion of above-mentioned schemes of M/s ECI Shanghai. The company will certainly initiate recovery of such excess charges incurred from the erring contractor i.e., M/s ECI Shanghai. There are no future claims expected from M/s ECI, so option of encashment of BG is being explored. However, the matter is subjudised. The decision will be taken subject to final decision of the Court.</td><td></td></tr>
<tr><td>(c)</td><td>This also includes Rs 159.42 Lakhs being ineligible price variation paid to the contractors on the tax element included in the price of the materials which resulted in overstatement of Capital Work-in-progress and understatement of Other Receivables by Rs 159.42 Lakhs.

Excess payment of price variation of Rs. 31.20 Lakhs due to incorrect basis price.</td><td>Recovery of excess PV amounting to Rs. 169.73 Lakhs was recovered from the following contractors:

(Rs. In Lakhs)
<table>
<tr><th>Name of agency</th><th>Excess PV Recovery</th></tr>
<tr><td>M/s ECI</td><td>23.53</td></tr>
<tr><td>M/s KPTL</td><td>44.90</td></tr>
<tr><td>M/s KEC</td><td>77.09</td></tr>
<tr><td>M/s JSL</td><td>8.90</td></tr>
<tr><td>M/s GE(Alstom)</td><td>15.31</td></tr>
<tr><td>Total</td><td>169.73</td></tr>
</table>
Excess price variations paid to M/s. ABB in r/o 132KV Karanja SS. EHV Project division Akola has deducted to the tune of Rs. 10.04 Lakhs vide Document no. 100161751 dated 18 December 2022.</td><td>Status quo remains. The concerned item is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22”.</td></tr>
<tr><td>2</td><td colspan="3">Trade Receivables (Note 10.2):</td></tr>
<tr><td></td><td>This does not include the differential amount of ORC receivable from Maharashtra Eastern Grid Power Transmission Company Limited (“MEGPTCL”), resulting in understatement of trade receivables and overstatement of ORC work-in-progress by Rs. 18.68 Crores.</td><td>As far as the matter of accounting based on demand notice is concerned towards interest income of Rs. 12.63 Crores, the company does not recognize any income on the basis of issuance of demand notice as is evidenced from the accounting policy adopted by the company as per Note No. 2.15 to the Standalone Financial Statements. The issue of demand notice doesn't entail into accrual of income.

As also with regard to ORC deposit, the same is accounted on</td><td>The concerned items (of GL Code 260040 and 260060) are covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22”.</td></tr>
</table>

		the basis of receipt of the same, as issuance of demand notice doesn't result in increase in receivable and depends whether the other party is agreeing to it.	
3	**Other Equity (Note 13) - Reserves and Surplus - Retained Earnings**		
	Central Electricity Regulatory commission (CERC) restricted (December 2017) yearly inter-state transmission charges of nine transmission assets at Rs. 5.99 Crores. Though the company recognised the decreed transmission charges of Rs. 5.99 Crores each during 2018-19 and 2019-20, the excess transmission charges already recognised during 2014-15 to 2017-18 amounting to Rs. 251.11 Crores was not derecognized. This has resulted in overstatement of retained earnings to the extent of Rs. 251.11 Crores with corresponding understatement of advance from customers under current liabilities to the same extent. Interest on Rs. 439.07 Crores (Rs. 251.11 Crores for 2014-17 and Rs. 187.96 Crores for 2018-20) was also not provided resulting in overstatement of retained earnings and understatement of advances from customers. Interest payable is not ascertainable for want of details from the Company.	As per CERC order in Petition No. 256/TT/2013 dated 18.05.2015 in which tariff for FY 2013-14 was Rs. 77.10 Crores (per year) which is revised by CERC order in Petition No. 173/TT/2016 dated 19.12.2017 for FY 2014-15 Rs. 5.99 Crores (per year). However even after revised order by CERC payment made by PGCIL was on the basis of earlier order till September 2019. After that there was no receipt by PGCIL. MSETCL is initiating the necessary reconciliation with PGCIL. MSETCL is filing a petition to CERC for the methodology to be adopted for the adjustment of excess Transmission Charges received. Balance reconciliation with PGCIL is in process	The concerned matter (of GL Code 300021) is covered in Para 3.15 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
4	**Other Equity (Note no 13): Reserves and Surplus**		
	This includes Rs 449.00 lakh being the cost of ORC works treated as Income during FY 2014-15. The Company assured to make necessary adjustment during FY 2016-17. The non-compliance of the assurance resulted in continuance of the overstatement of Reserves and Surplus and Fixed Assets to the extent of Rs 449.00 Lakhs with consequent effect on the depreciation and loss for the year.	The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	ORC deposits have not been reconciled in the FY 2021-22. The concerned matter (of GL Code 300021) is covered in Para 3.16 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
5	**Other Equity (Note 13): Special Reserve Fund: Rs. 139.39 Crores**		
	This includes Rs. 76.58 Crores appropriated from profits during 2013-14 and 2014-15 as per the provisions of MERC Regulations, 2005. Though the constitution of Special Reserve Fund (SRF) was repealed by the MERC (MYT) Regulation, 2011 the Company continued the appropriation during	As per MERC Regulations 2005, out of the total amount of Efficiency gain/losses, 1/3rd was to be shared with the TSU, 1/3rd was to be retained as special reserve to be offset against the future losses due to controllable factors (if any) and the remaining 1/3rd is to be shared with MSETCL. Accordingly, MSETCL has	We concur with the response of the management.

	2013-14 and 2014-15 (even though the new regulations were applicable to the company during this period) resulting in unauthorised appropriation to SRFs and understatement of Retained Earning to the extent of Rs. 76.58 Crores. Accumulated SRF of Rs. 139.39 Crores has also been lying since April 2015.	appropriated the 1/3rd amount of efficiency gain as Special Reserve in the respective years where the said regulation was applicable. Further, MSETCL had asked for deferment from MERC MYT Regulation 2011, which was applicable from FY 2011-12 to FY 2012-13. Thus, MERC Regulation 2005 was made applicable to FY 2011-12 and FY 2012-13 also. Vide the Tariff Order in Case No 207 of 2014 dated 26 June 2015 MERC directed that the 1/3rd of the Efficiency gain for FY 2012-13 be appropriated to the Special Reserve during the true up of FY 2012-13. Accordingly, the shortfall on the special reserve accounts was provided during FY 2014-15. Thus, there was no violation of regulation and the amount provided for during FY 2013-14 and FY 2014-15 were the shortfall pertaining to FY 2011-12 and FY 2012-13 respectively. Furthermore, as per Regulation 19.1(b) the special reserve is to be offset against the future losses due to controllable factors (if any). The O&M Expenses claimed by MSETCL are below the normative and thus there has been no loss till the last true up order hence the special reserve could not be utilised by MSETCL in the past years. If any such Efficiency loss arises in future, then the special reserve will be utilised in future.	
6	**Other Non-Current Financial Liabilities (Note: 14.2)**		
(a)	This includes Rs 400.00 Lakhs being deposit for construction of bays under ORC works against which the existing bays were allotted to the parties. As such, the deposits of Rs. 400 Lakhs should have been set off by transferring the same to Other Income. This has resulted in understatement of Other Income and Overstatement of Non-current liabilities and loss to the extent of Rs. 400 Lakhs.	In order to execute ORC works, deposits are taken from the parties for whom company performs/executes such ORC works. Aurangabad EHV O&M Circle has executed 7 ORC works with Rs. 221 Lakhs including supervision charges and Nagpur O&M Circle had completed 8 ORC works worth Rs. 237 Lakhs. Work Completion Report (WCR) against all the ORC works executed were received in the month of November 2017. Necessary accounting entry will be passed when the assets will be identified in Fixed Asset Register in accordance with the guidelines issued in context to Ind AS Policy. MSETCL is in the process of carrying out physical verification of Fixed assets, on completion of the same, the identification of proper assets and its value for adjustment against the ORC deposit amount would be done.	The concerned matter is covered in Para 3.16 and 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".

(b)	In response to the Audit Comments for FY 2015-16, the Company assured to adjust the deposits pertaining to the completed ORC works amounting to Rs. 9,026.00 Lakhs during FY 2016-17 against Fixed Assets. The non-compliance of the assurance resulted in continuance of overstatement of Non-current Liabilities and Fixed Assets to the extent of Rs. 9,026.00 Lakhs with consequent effect on the depreciation and the Loss for the year.	The Company had already initiated the necessary reconciliation drive in the field offices since previous years and the reconciliation process is in progress. After reconciliation of the same, the ORC deposit will be adjusted against concerned assets.	ORC deposits have not been reconciled in the FY 2021-22. The concerned matter is covered in Para 3.16 and 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
(c)	This includes deposit of Rs. 45.09 Crores in respect of ORC works completed and commissioned during FY 2018-19. Non-adjustment of the deposits resulted in overstatement of deposits by Rs. 45.09 Crores and consequent overstatement of ORC work-in-progress under Capital Work-in-progress to that extent.	Three ORC works with capex expenditure amounting to Rs. 40.97 Crores have been capitalized by knocking off the deposit in FY 2018-19. Five ORC works having capex expenditure amounting to Rs. 4.12 Crores will be capitalized after finalizing QV / Final bills.	ORC deposits have not been reconciled in the FY 2021-22. The concerned matter is covered in Para 3.16 and 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
7	**Other current Financial Liabilities (Note: 18.3)**		
	This did not include Rs. 11.24 Crores being insurance premium charges recoverable from contractors and payable to Government of Maharashtra. Non-recovery of the same from the contractors has resulted in understatement of other current Financial Liabilities to the extent of Rs. 11.24 Crores with corresponding understatement of other current Assets to the same extent.	Necessary instructions are being issued to field Units to issue demand notes to the concerned Vendors for recovery of Insurance Charges. The same would also be adjusted against any amount of retentions withheld by MSETCL during the processing of RA Bills.	The concerned GLs (123060, 123110, 296050, and 296060) are covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".
8	**Other Current Liabilities (Note No.19):**		
(a)	This does not include Rs. 13.06 Crores being non-assessment and non-recovery of the labour cess for the period July 2010 to March 2018 (Nashik Project Circle). This resulted in understatement of Other Receivables and Other Current Liabilities by Rs. 13.06 crores.	The labour cess is recovered and paid to the concerned authority in time. The balance amount would be recovered from the upcoming bills of the Vendors and the payment would be made immediately. Amount of Rs. 7.75 Crores has been recovered till date. The statement of the same is enclosed herewith. Further it is stated that Labour Cess of Rs.0.97 Crores could not be recovered on the Work Orders issued to M/s Areva T&D India Ltd as per Letter No. MSETCL/CO/F&A/9156 dated 03.12.2019 which is also enclosed herewith.	The balances and recoveries from the vendors could not be properly verified in course of our audit in absence of requisite data/details sought from the Company. The concerned GLs (146010, 296050, and 296060) are covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".

(b)	Goods and Service Tax (GST) is applicable to deposits received as consideration for the supply of goods or rendering services in terms of section 2(31) of the CGST Act, 2017. The Company has not collected and deposited GST on ORC deposits resulting in short assessment and collection of GST by Rs. 43.13 Crores (*) with consequent understatement of other current liabilities and other current assets to that extent. * Rs. 377.78 Crores x 18/118 minus GST of Rs. 14.50 Crores on supervision charges already shown in the books of accounts.	In case of ORC works, MSETCL collects deposits from Outright Consumers before executing the works and treats as ORC Deposits in the books of accounts of MSETCL. It is shown in the liability side of the balance sheet of the MSETCL. This amount is finally set off against the actual cost of the construction/works at the time of completion of all activities of the works. Till the constructions stage, the expenditure incurred on these works is shown as Capital WIP and finally on completion of the works this deposit amount is set-off against the total works cost. The Asset is capitalized in the books of MSETCL at Re. 1. The Operation & Maintenance (O&M) of asset is carried out by MSETCL. As Asset is not transferred to the ORC Consumers, there was an ambiguity whether it is supply service or otherwise. MSETCL has submitted Application for Advance Ruling vide ARN AD270419019782S dated 25.04.2019 to Authority of Advance Ruling (AAR), GST Department regarding Applicability of GST on Deposit for Dedicated Distribution Facility (DDF)/ Dedicated Transmission System (DTS) /Out-right Contracts (ORC). The same is "Pending for Order" till date. However, as a conservative measure, MSETCL has issued Circular in May-19 for charging GST on the estimated cost of the ORC Works including supervision charges and same is paid to GST Authority. The decision regarding collection of GST on ORC deposit for the period from July'17 to March'19 shall be acted upon Order/Ruling from AAR in this regard. Order / Ruling from AAR is still awaited, meanwhile MSETCL has initiated the correspondence with AAR vide letter no.- 446 dated: 17.01.2020 & no.2650 dated 31/07/2020	The concerned matter (of GL Code 123100) is covered in Para 3.19 under 'Basis for Qualified Opinion' section of our "Report on the Audit of the Standalone Financial Statements for FY 21-22".

C	**Other Comments**		
1	**Significant Accounting Policies**		
(a)	As against the Corporate Social Responsibility (CSR) provision of Rs. 95.20 Crores during the years 2014-15 to 2016-17 and in 2019-20, the Company could spend only Rs. 20.37 Crores during the period from 2016-17 to 2019-20 on CSR projects and Rs. 74.83 Crores (78.60 per cent) remained unspent as of March 2020. However, the reasons for the non-utilisation were not specified by the Board in its report for the year 2018- 19 made under clause (o) of sub-section (3) of section 134 of the Act.	The Company has transferred the following amounts unspent as on April 30, 2021 in respect of Provisions made till FY 20-21 into a separate bank a/c. 1) Rs. 2716.53 Lakhs–30 April 2021 2) Rs. 2500.00 Lakhs– 25 May 2021 3) Rs. 2848.01 Lakhs– 28 May 2021 Further, the Company has transferred unspent amount of Rs. 1743.26 Lakhs on 29 April 2022 in respect of provision made for FY 21-22 into a separate bank account.	Please refer paragraph (xx) (a) and (b) of Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements.

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of the Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2022

(Referred to in paragraph 15 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has not maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").

The Company is not maintaining proper records showing full particulars of intangible assets.

(b) The Company has not carried out physical verification programme of its PPE. In the absence of physical verification records, we are unable to state whether there are any material discrepancies and whether the same have been properly dealt within the books of accounts.

(c) The records relating to title deeds of all the immovable properties as reflected in the Standalone Financial Statements (i.e., Land Title, Lease Deed, 7/12 extract etc.) are not maintained properly or updated and the same are not reconciled with the Standalone Financial Statements as at 31 March 2022. In the absence of complete records, we are unable to state whether all such immovable properties are in the name of the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) and intangible assets during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) In our opinion and according to the information and explanations given to us, the physical verification of inventories has been conducted at the year-end by the management and, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records, though identified but not recognised or properly dealt with in the books of account. For stocks lying with third parties at the year-end, written confirmations have not been obtained.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crores, in aggregate, from banks or financial institutions, however, the aforesaid sanctions are not secured on the basis of security of current assets. Hence, furnishing of periodic returns of current assets with lending banks is not required.

iii. (a) In our opinion and according to the information and explanations given to us, the Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, paragraph 3(iii)(a) to 3(iii)(e) of the Order is not applicable to the Company.

(b) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act). Accordingly, paragraph 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company as specified under section 148(1) of the Act, for the maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, cess and any other statutory dues, as applicable to the Company, have generally been regularly deposited by the Company to/with the appropriate authorities during the year. As informed sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company during the year under report. Attention is drawn to Paragraph 3.19 under 'Basis for Qualified Opinion' section of our Audit Report, wherein GL heads/ codes are listed, including GLs (140100, 143030, 143031, 143060 and 146010) for statutory dues, on account of necessary data/ details not made available for our verification. Accordingly, outstanding statutory dues from such GLs for the purpose of reporting in this paragraph could not be ascertained. Subject to aforesaid outstanding statutory dues, there are no undisputed statutory dues payable in respect to above statutes, outstanding as at 31 March 2022 for a period of more than six months from the date they became payable, except following:

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Date of Payment
The Finance Act, 1994 (Service Tax)	Interest on Service Tax for previous year on the supervision charges collected from ORC vendors	267.34	F. Y. 2014 - 15	Not Paid

(b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of income-tax, have not been deposited to/with the appropriate authority on account of any dispute.

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	328.41	2008-09	Assessing Officer
Income Tax Act, 1961	Income Tax	19000.84	2009-10	The Commissioner of Income-tax (Appeals) - 22, Mumbai
Income Tax Act, 1961	Income Tax	310.35	2010-11	The Commissioner of Income-tax (Appeals) - 22, Mumbai
Income Tax Act, 1961	Income Tax	5372.58	2010-11	The Income-tax Appellate Tribunal (Company's appeal and Tax Department's appeal)
Income Tax Act, 1961	Income Tax	4.64	2011-12	The Commissioner of Income-tax (Appeals) - 22, Mumbai
Income Tax Act, 1961	Income Tax	311.05	2012-13	Assessing Officer
Income Tax Act, 1961	Income Tax	4212.98	2013-14	The Commissioner of Income-tax (Appeals) - 22, Mumbai
Income Tax Act, 1961	Income Tax	936.87	2013-14	The Commissioner of Income-tax (Appeals) - 22, Mumbai
Income Tax Act, 1961	Income Tax	7107.68	2016-17	The Commissioner of Income-tax (Appeals) - 22, Mumbai
Income Tax Act, 1961	Income Tax	14.28	2018-19	The Commissioner of Income-tax (Appeals) - 22, Mumbai

Note: Please refer Paragraph 3.18 under 'Basis for Qualified Opinion' section of our Audit Report on the Standalone Financial Statements.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions recorded in the books of account reflecting surrender or disclosure as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, no funds were raised on short-term basis by the Company. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.

xi. (a) In our opinion and according to the information and explanations given to us and based on verification procedures carried on by us, we report that there has been no fraud by the Company or fraud on the Company noticed or reported during the course of our audit.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year, under its vigilance department.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards. Section 177 is not applicable to the Company as per the provisions of the Act.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system, however, scope of internal audit needs to be strengthened and enhanced to make the same commensurate with the size of the Company and its nature of business.

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

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the Company.

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

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company ("CIC") as defined in the regulations made by Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company does not have any CIC as part of the Group.

xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly paragraph 3(xviii) of the Order is not applicable.

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

xx. (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, paragraph 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within period of thirty days from the end of the financial year in compliance with section 135(6) of the Act, except in respect of the following:

Financial Year	Amount unspent on Corporate Social Responsibility activities for "Ongoing Projects" (Rs. in Lakhs)	Amount Transferred to Special Account within 30 days from the end of the Financial Year (Rs. in Lakhs)	Amount Transferred after the due date (specify the date of transfer) (Rs. in Lakhs)
(a)	(b)	(c)	(d)
FY 20-21 and Earlier Years	8,126.80	2,716.53 Transfer date : 30 April 2021	2,500.00 Transfer date : 25 May 2021 2848.01 Transfer date : 28 May 2021
FY 21-22	1,743.26	1,743.26 Transfer date : 29 April 2022	

xxi. Requirement under paragraph 3(xxi) of the Order is not applicable at the standalone level of reporting.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W-100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494BABKLO5429

Place : Mumbai
Date : 17 October 2022

Annexure C to the Independent Auditors' report on the Standalone Financial Statements of the Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2022

(Referred to in paragraph "16.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013.

Opinion

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Maharashtra State Electricity Transmission Company Limited ("the Company") as at 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company's internal financial controls with reference to the Standalone Financial Statements and design thereof needs to be improved to eliminate control lapses and make it comprehensive. Based on selective verification of process controls matrixes made available to us which require to be updated for some identified processes and risks, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"), the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.

Management's responsibility for Internal Financial Controls

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

Auditor's responsibility

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

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

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

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of

the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

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

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

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W-100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494BABKLO5429

Place : Mumbai

Standalone Financial Statements

Maharashtra State Electricity Transmission Company Limited
CIN : U40109MH2005SGC153646
Standalone Balance Sheet as at 31st March 2022

(Rs. in lakhs)

	Particulars	Note No	As at 31.03.2022	As at 31.03.2021
I	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	4.1	15,81,201.63	16,22,471.02
	(b) Capital Work-in-Progress	4.2	341,932.91	334,281.27
	(c) Intangible Assets	4.3	163.45	370.58
	(d) Right of Use Assets	4.4	17,744.03	17,863.41
	(e) Investments in Subsidiaries, Associates and Joint Ventures	5	5,335.92	5,335.92
	(f) Financial Assets			
	(i) Investments	6.1	1,00,018.21	85,505.26
	(ii) Loans	6.2	124.49	124.14
	(g) Income Tax Assets (net)	7	31,271.72	15,056.60
	(h) Other Non-Current Assets	8	8,965.85	9,958.79
(2)	**Current Assets**			
	(a) Inventories	9	28,116.79	19,122.71
	(b) Financial Assets			
	(i) Investments	10.1	38,074.12	49,582.50
	(ii) Trade Receivables	10.2	3,19,197.80	3,01,131.79
	(iii) Cash and Cash Equivalents	10.3	66,636.38	39,068.47
	(iv) Loans	10.4	250.89	277.18
	(v) Other Current Financial Assets	10.5	5,128.47	3,135.74
	(c) Other Current Assets	11	845.40	609.54
	(d) Assets Classified as Held for Sale		5,517.75	3,553.20
	TOTAL ASSETS		**25,50,525.82**	**25,07,448.12**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a)Equity Share capital	12	8,98,497.47	8,98,497.47
	(b)Other Equity	13	4,25,252.52	3,32,662.45
(2)	**Liabilities**			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14.1	4,20,249.56	4,52,831.55
	(ii) Lease Liabilities	27	31.13	1,956.33
	(iii) Other Non-Current Financial Liabilities	14.2	2,46,419.82	2,39,092.32
	(b) Provisions	15	1,03,377.12	95,098.69
	(c) Deferred Tax Liabilities (Net)	16	2,46,674.17	2,59,499.33
	(d) Other Non-Current Liabilities	17	31,448.74	29,965.61
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18.1	81,462.01	85,955.76
	(ii) Lease Liabilities	27	1,947.42	1,760.08
	(iii) Trade Payables	18.2		
	total outstanding dues of micro enterprises and small enterprises		283.73	712.12
	total outstanding dues of creditors other than micro enterprises and small enterprises		24,761.38	28,420.60
	(iv) Other Current Financial Liabilities	18.3	15,054.93	16,652.52
	(b) Other Current Liabilities	19	27,667.58	28,028.97
	(c) Provisions	20	27,398.25	36,314.33
	TOTAL EQUITY AND LIABILITIES		**25,50,525.82**	**25,07,448.12**
	Significant Accounting Policies	1 to 3		

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

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494

Place : Mumbai
Date : 17 October 2022

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Santosh Amberkar
Chief General Manager (F&A)

Sd/-
Ashok Phalnikar
Director (Finance)
(DIN. 08908820)

Sd/-
Dinesh Waghmare
Chairman & Managing Director
(DIN. 01843097)

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

Maharashtra State Electricity Transmission Company Limited
CIN : U40109MH2005SGC153646
Standalone Statement of Profit and Loss for the year ended 31st March, 2022

(Rs. in lakhs)

	Particulars	Note No	2021-22	2020-21
I	Revenue from Operations	21	4,86,379.78	4,77,397.34
II	Other Income	22	33,942.32	21,641.82
III	**Total Income (I + II)**		**5,20,322.10**	**4,99,039.16**
IV	**Expenses**			
	Repairs & Maintenance Expenses	23	39,174.54	14,090.20
	Employee Benefits Expense	24	1,16,426.06	1,09,621.63
	Finance Costs	25	41,897.51	50,512.88
	Depreciation and Amortization Expense		1,21,957.84	1,21,756.17
	Other Expenses	26	40,314.82	34,243.87
	Total Expenses (IV)		**3,59,770.77**	**3,30,224.74**
V	**Profit Before Exceptional Items and Tax Expense (III-IV)**		**1,60,551.33**	**1,68,814.42**
VI	**Exceptional Items**			
	Repairs & Maintenance Expenses	50	41,548.65	-
VII	**Profit before tax (V - VI)**		1,19,002.68	1,68,814.42
VIII	**Tax Expense:**			
	(1) Current tax		(35,139.69)	(49,204.65)
	(2) Deferred tax		11,672.96	(12,272.60)
IX	**Profit for the Year (VII - VIII)**		**95,535.95**	**1,07,337.17**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(3,297.40)	310.80
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,152.24	(108.59)
XI	**Total Comprehensive Income for the Year (IX + X)**		**93,390.79**	**1,07,539.38**
XII	Basic and Diluted Earnings per Share (in Rs.) (Face Value Rs 10/-)	31	1.06	1.19
	Significant Accounting Policies	1 to 3		

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

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494

Place : Mumbai
Date : 17 October 2022

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Santosh Amberkar
Chief General Manager (F&A)

Sd/-
Ashok Phalnikar
Director (Finance)
(DIN. 08908820)

Sd/-
Dinesh Waghmare
Chairman & Managing Director
(DIN. 01843097)

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

Maharashtra State Electricity Transmission Company Limited
CIN : U40109MH2005SGC153646
Standalone Statement of Cash Flows for the year ended 31st March, 2022

(Rs. in lakhs)

Particulars	For Year Ended 31-03-2022	For Year Ended 31-03-2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	**1,19,002.68**	**1,68,814.42**
Adjustment for :		
Depreciation	1,21,957.84	1,21,756.17
Gain on disposal of property, plant and equipment	(1,218.81)	(662.62)
Proceeds from sale of scrap Assets	(105.40)	(140.15)
Interest received	(11,134.40)	(9,067.28)
Finance costs	49,260.95	58,546.74
Loss due to Foreign Exchange Rate Variation	0.37	111.20
Sundry Balances W/Off	430.08	9.28
Operating Profit Before Working Capital Changes	**2,78,193.31**	**3,39,367.76**
Movements in Working Capital		
(Increase)/Decrease in Inventory	(8,994.08)	2,619.04
(Increase) / Decrease in Trade Receivable	(18,496.09)	(41,239.13)
(Increase) / Decrease in Short Term Loan and Advance	26.29	32.23
(Increase) / Decrease in Other Current Assets	(2,228.59)	4,020.75
Increase/(Decrease) in Long Term Provisions	8,278.43	4,506.80
Increase/(Decrease) in Provisions	(8,916.08)	(5,428.25)
Increase/(Decrease) in Trade Payables	(4,087.61)	2,081.62
Increase/(Decrease) in Other Current Liabilities	(21,392.90)	(6,436.46)
Cash generated from operations	**2,22,382.67**	**2,99,524.36**
Taxes Paid	(35,218.25)	(16,003.40)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**1,87,164.42**	**2,83,520.96**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE including CWIP and Capital Advance (Net of Sale Proceeds)	(88,802.74)	(1,57,128.16)
Receipts of government grants	1,631.94	163.96
Long term loans and advances	(0.35)	29.41
Other non-current assets	992.94	(2,348.40)
Receipts of ORC Deposits	9,506.28	207.19
Investment in Associates/Joint Ventures	-	(123.72)
Proceeds from disposal of Investment in Subsidiary	-	5.00
(Purchase)/Sale in Investment	(3,004.57)	(6,505.40)
Interest received	11,134.40	9,067.28
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(68,542.10)**	**(1,56,632.84)**

(Rs. in lakhs)

Particulars	For Year Ended 31-03-2022	For Year Ended 31-03-2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Other non current financial liabilities	(2,979.49)	17,333.97
Proceeds/(Repayment) from Borrowings	(38,813.97)	(61,452.33)
Interest paid / Finance costs	(49,260.95)	(58,546.74)
NET CASH FROM /(USED IN) FINANCING ACTIVITIES	**(91,054.41)**	**(1,02,665.11)**
"Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)"	**27,567.91**	**24,223.00**
Opening Balance of Cash & Cash Equivalents	39,068.47	14,845.46
Closing Balance of Cash & Cash Equivalents	**66,636.38**	**39,068.47**
Components of Cash & Cash Equivalents at	**For Year Ended 31-03-2022**	**For Year Ended 31-03-2021**
Balances with Banks		
In Current Accounts	6,705.31	11,483.55
In Fixed Deposit Accounts (with original maturity of less than 3 months)	37,709.55	7,456.19
Cash and Stamps on Hand	12.42	12.73
In Designated Current Account operated and maintained in terms of MERC Regulation	22,209.10	20,116.00
Cash & Cash Equivalents at the end of the year	**66,636.38**	**39,068.47**

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

As per our attached report of even date

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494

Place : Mumbai
Date : 17 October 2022

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Santosh Amberkar
Chief General Manager (F&A)

Sd/-
Ashok Phalnikar
Director (Finance)
(DIN. 08908820)

Sd/-
Dinesh Waghmare
Chairman & Managing Director
(DIN. 01843097)

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

Maharashtra State Electricity Transmission Company Limited
CIN : U40109MH2005SGC153646
Standalone Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

For the year ended 31st March, 2022 **(Rs. in lakhs)**

Balance as at 1st April, 2021	Changes during the Year	Balance as at 31st March, 2022
8,98,497.47	-	898,497.47

For the year ended 31st March, 2021 **(Rs. in lakhs)**

Balance as at 1st April, 2020	Changes during the Year	Balance as at 31st March, 2021
8,98,497.47	-	898,497.47

B. Other Equity

For the year ended 31st March, 2022 **(Rs. in lakhs)**

Particulars	Reserves & Surplus				Total Equity
	Contingency Reserve Fund	Special Reserve Fund	Load Despatch Center Empowerment Reserve (LDCD) Fund	Retained Earnings	
Balance as at 1st April, 2021	**69,643.00**	**13,939.00**	**6,941.56**	**2,42,138.89**	**3,32,662.45**
Total Comprehensive Income for the year	-	-	-	93,390.79	93,390.79
Transfer to Retained Earnings	-	-	-1,857.08	1,857.08	-
Transfer from Retained Earnings	8,335.00	-	-	-8,335.00	-
Utilisation for Capex (allowed by MERC)	-	-	-800.72	-	-800.72
Balance as at 31st March, 2022	**77,978.00**	**13,939.00**	**4,283.76**	**3,29,051.76**	**4,25,252.52**

For the year ended 31st March, 2021 **(Rs. in lakhs)**

Particulars	Reserves & Surplus				Total Equity
	Contingency Reserve Fund	Special Reserve Fund	Load Despatch Center Empowerment Reserve (LDCD) Fund	Retained Earnings	
Balance as at 1st April, 2020	**62,803.00**	**13,939.00**	**5,265.15**	**1,43,297.34**	**2,25,304.49**
Total Comprehensive Income for the year	-	-	-	1,07,539.38	1,07,539.38
Transfer from Retained Earnings	6,840.00	-	1,857.83	-8,697.83	-
Utilisation for Capex (allowed by MERC)	-	-	-181.42	-	-181.42
Balance as at 31st March, 2021	**69,643.00**	**13,939.00**	**6,941.56**	**2,42,138.89**	**3,32,662.45**

As per our attached report of even date

For KKC & Associates LLP
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Firm Registration Number - 105146W/W100621

Sd/-
Hasmukh B Dedhia
Partner
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Place : Mumbai
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For Maharashtra State Electricity Transmission Company Limited

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Chief General Manager (F&A)

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Chairman & Managing Director
(DIN. 01843097)

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

Notes to Standalone Financial Statements for the year ended 31st March, 2022

1 Corporate and General Information

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

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

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

2 Statement of significant Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis of preparation and presentation

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

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

2.3 Current and Non-current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

The Company has identified twelve months as its operating cycle.

2.4 Rounding of amounts

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

2.5 Use of estimates and judgments

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

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

-Estimates of useful lives, residual value and impairment of Property, Plant and Equipments and Intangible Assets;

-Valuation of Inventories;

-Measurement of Defined Benefit Obligations and actuarial assumptions;

-Provisions;

-Evaluation of recoverability of deferred tax assets; and

-Contingencies.

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

2.6 Property, Plant and Equipment (Ind AS 16)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.8 Intangible Assets (Ind AS 38)

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

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

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

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

2.9 Depreciation/Amortization (Ind AS 16)

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

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

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

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

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

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

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

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

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

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

2.10 Borrowing costs (Ind AS 23)

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

Interest during construction (IDC) and expenditure (net) allocated to construction as per policy referred at 2.7 above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP. Actual IDC is calculated for schemes where it is possible. In case of remaining scheme, debt equity ratio of 70:30 is considered for calculating of IDC for opening capex as well as capex incurred during the year. FIFO method is followed while considering the capitalization i e first capitalization of asset will be taken place from opening balance of capex. The weighted average rate of interest of each financial institution and banks is applied for calculating IDC.

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

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

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

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

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

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

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

2.12 Leases (Ind AS 116)

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

Company as a lessee

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

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

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

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

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

Company as a lessor

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

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

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

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

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

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

2.14 Inventories (Ind AS 2)

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

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

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

2.15 Revenue Recognition (Ind AS 115)

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

Transmission Income

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

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

Dividend Income

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

Interest Income

Interest income is accounted on accrual basis.

Sale of Scrap

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

Supervision charges

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

Other Income

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

2.16 Employee Benefits (Ind AS 19)

Short Term Employee Benefits:

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

Other long-term employee benefit obligations

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

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

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

Post- employment benefits:

The Company operates the following post-employment schemes:

(I) Defined Benefit Plans such as gratuity; and

(ii) Defined contribution plans such as provident fund.

Defined Benefit Plan

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

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

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

Defined Contribution Plan

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

2.17 Foreign Currency Transactions (Ind AS 21)

(I) Functional and presentation currency

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

(ii) Transactions and balances

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

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

2.18 Investment in Associates and Joint Ventures (Ind AS 27)

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

2.19 A) Government Grants (Ind AS 20)

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

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

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

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

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

C) Accounting of Contributions received from Consumers against Outright Right Works (ORC Schemes)

Outright Consumer Contributions received is being treated as follows

1) If advance is received for expenditures still to be incurred on creation of Fixed Assets , same is treated as Non Current Liabilities till the completion of that Fixed Assets.

2) If contribution is received on account of Supervision Charges only, the same is recognised as Other Income in the year of receipt.

3) If contribution is received on account of already created assets, the same is reduced against that asset in the year of receipt.

2.20 Provisions and Contingent Liabilities (Ind AS 37)

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimates.

2.21 Fair Value Measurement (Ind AS 113)

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

2.22 Financial Assets (Ind AS 32)

Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met: The asset is held within a business model whose objective is:

-To hold assets for collecting contractual cash flows, and

-Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

-collecting contractual cash flows and selling financial assets and

- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

Debt instruments at Fair Value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income. Dividends on such equity instruments are recognized in the Statement of Profit or Loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when-

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either:

The Company has transferred substantially all the risks and rewards of the asset, or

The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or assets is determined to have a low credit risk at the reporting date.

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

Trade receivables were categorized into three groups for computing ECL viz.

1) Distribution Licensees (Group Companies and Others),

2) Open Access Consumers (Long term and Short term) and

3) Regular (Other) Consumers. Time loss for all categories was considered as same, whereas Credit loss was provided on the basis of credit spread for Corporate Bonds (published by FIMMDA). The management has estimated an appropriate credit rating for each of the above three groups.

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

2.23 Financial Liabilities (Ind AS 32)

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

Financial Liabilities at amortized cost

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

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

De-recognition

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

Offsetting of financial instruments

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

2.24 Taxes on Income (Ind AS 12)

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

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

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

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

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

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

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.25 Prior Period Items (Ind AS 8)

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

2.26 Earnings per Share (Ind AS 33)

Basic earnings per share are computed using the net profit or loss for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

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

2.27 Cash and Cash Equivalents (Ind AS 7)

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

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

2.28 Statement of Cash Flows (Ind AS 7)

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

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

3 Changes in Accounting Policies and Disclosures

3.1New and Amended Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022 as below:

(i) Ind AS 103 - Business Combination

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework), issued by the ICAI at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

(ii) Ind AS 16 - Property, Plant and Equipment (PPE)

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing while preparing the asset for its intended use (if any), shall not be recognise in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item PPE. The Company has evaluated the amendment and there is no impact in recognition of its property, plant and equipment on its standalone financial statements

(iii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

(iv) Ind AS 109 - Financial Instruments

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability or to consider as modification of existing financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
Note 4.1: Property, Plant & Equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Equipments	Line & Cable Networks	Hydraulic Works	Other Civil Works	Furniture & Fixtures	Vehicles	Office Equipment (Including computer)	Solar Power Generation Equipments	Total
Gross carrying amount											
Balance as at 1st April, 2020	**26,304.39**	**30,063.72**	**11,39,273.29**	**8,57,966.12**	**2,723.02**	**1,19,541.94**	**2,059.13**	**1,097.48**	**4,325.88**	**0.00**	**21,83,354.97**
Additions	1,367.27	729.65	61,432.85	39,698.84	63.02	4,211.77	188.59	0.00	950.70	49.66	1,08,692.36
Disposals	-	-	(320.81)	(12.99)	-	-	(2.52)	(8.13)	(3.65)	-	(348.10)
Adjustments	(2,465.05)	-	(2,950.07)	(1,432.72)	-	(4.02)	(5.06)	0.18	(109.24)	-	(6,965.98)
Balance as at 31st March , 2021	**25,206.61**	**30,793.37**	**11,97,435.26**	**8,96,219.24**	**2,786.03**	**1,23,749.69**	**2,240.14**	**1,089.53**	**5,163.69**	**49.66**	**22,84,733.25**
Additions	1,036.98	574.50	67,429.40	55,838.06	27.02	2,897.89	196.49	0.00	771.86	0.00	128,772.21
Disposals	-	-	(454.85)	(738.10)	-	-	(4.98)	(35.59)	(16.06)	-	(1,249.57)
Adjustments	(189.22)	-21.14	(51,033.51)	(3,989.73)	-	929.05	(41.14)	(18.08)	(239.03)	-	(54,602.80)
Balance as at 31st March , 2022	**26,054.37**	**31,346.74**	**12,13,376.32**	**9,47,329.47**	**2,813.06**	**1,27,576.63**	**2,390.52**	**1,035.86**	**5,680.46**	**49.66**	**23,57,653.09**
Accumulated Depreciation											
Balance as at 1st April, 2020		**8,812.27**	**2,85,388.66**	**2,25,467.38**	**663.50**	**20,233.00**	**616.93**	**219.32**	**1,955.76**	**0.00**	**5,43,356.82**
Additions		1,078.42	68,167.40	45,188.70	142.06	4,592.26	146.94	79.36	459.74	1.26	1,19,856.14
Disposals		-	(233.92)	(5.99)	-	-	(2.17)	(7.29)	(3.18)	-	(252.55)
Adjustments		-	(789.82)	91.89	-	(0.00)	-	0.16	(0.40)	-	(698.17)
Balance as at 31st March , 2021		**9,890.69**	**352,532.32**	**270,741.98**	**805.56**	**24,825.26**	**761.70**	**291.56**	**2,411.93**	**1.26**	**6,62,262.24**
Additions		1,087.83	71,266.50	46,587.12	133.80	4,656.94	153.91	77.35	450.40	2.62	1,24,416.47
Disposals		-	(163.76)	(147.93)	-	-	(4.31)	(32.03)	(10.71)	-	(358.73)
Adjustments		1.02	(10,320.34)	(33.65)	-	541.54	(21.46)	(16.47)	(19.18)	-	(9,868.52)
Balance as at 31st March , 2022		**10,979.55**	**4,13,314.72**	**3,17,147.52**	**939.35**	**30,023.74**	**889.84**	**320.41**	**2,832.44**	**3.88**	**7,76,451.46**
Net carrying amount											
Balance as at 31st March, 2022	**26,054.38**	**20,367.19**	**8,00,061.60**	**6,30,181.95**	**1,873.70**	**97,552.89**	**1,500.67**	**715.46**	**2,848.02**	**45.79**	**15,81,201.63**
Balance as at 31st March, 2021	**25,206.61**	**20,902.68**	**8,44,902.95**	**6,25,477.27**	**1,980.48**	**98,924.44**	**1,478.44**	**797.98**	**2,751.76**	**48.41**	**16,22,471.02**

Please refer Note 35: Assets hypothecated / pledged as security.
* includes assets at Rs 1 for which the cost is recovered from the dedicated consumer as ORC Deposit
* includes assets which are created at 50% of the value under the scheme for evacuation of power from Non-conventional sources (MEDA Schemes).
* includes reclassification during the year of Standby equipments from Property, Plant and Equipment (Rs 44,439.58 lakhs) along with its accumulated depreciation (Rs 6,869.56 lakhs) to Repairs & Maintenance Expenses and Inventories as per Policy referred at Note 2.6 and 50.

Title deeds of Immovable Property not held in the name of the Company

Details of all immovable property included in Property, Plant and Equipments are held in the name of the Company , except for as shown in table below:

Revelent Line Item in the Balance Sheet	Description of items of property	Gross carrying value (Rs in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relatove of promoter/director or employee of promoter/ director	Property held since which date	Reasons for not being held in the name of the Company	Dispute, if any
Property, Plant & Equipment	Land	Not Ascertainable	MSETCL-366 out of 706	N. A.	Not Ascertainable	Lands pertaining to erstwhile MSEB were transferred to MSETCL after trifurcation in 2005. However, certain lands which are in the names of MSEDCL, MSPGCL, MSEB, Maharashtra Industrial Development Corporation (MIDC) and private parties are still to be transferred in the name of MSETCL.	N. A.
		Not Ascertainable	MSEB/MSEDCL/ MSPGCL (Sister Concern) - 102 out of 706	N. A.	Not Ascertainable		
		Not Ascertainable	Lease Hold / MIDC / Private/ Other - 238 out of 706	N. A.	Not Ascertainable		
	Building	NIL					
Investment Property	Land	NIL					
	Building						
PPE retired from active use and held for disposal	Land	NIL					
	Building						
Others		NIL					

Note 4.2: Capital work-in-progress (CWIP)

(Rs in Lakhs)

	As at 31.03.2020	Capex during the year	Capitalisation / Adjustment during the year	As at 31.03.2021	Capex during the year	Capitalisation / Adjustment during the year	As at 31.03.2022
Capital work-in-progress	2,80,656.26	1,60,286.00	(1,06,660.99)	3,34,281.27	1,38,684.90	(1,31,033.26)	3,41,932.91

Ageing Schedule of Capital Work in Progress FY 2021-22*

(Rs in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				
	less than 1 year	1 -2 years	2-3 years	More than 3 years	TOTAL
Projects in Progress	18,720.06	25,266.73	48,985.60	2,17,199.28	3,10,171.67
Projects temporarily suspended	-	-	-	28,638.82	28,638.82
Total	-	-	-	-	**3,38,810.49**

*Ageing Schedule of Capital Work in Progress is prepared based on the year of commencement of capex in respective Project .

Ageing Schedule of Capital Work in Progress FY 2020-21*

(Rs in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				
	less than 1 year	1 -2 years	2-3 years	More than 3 years	TOTAL
Projects in Progress	13,289.94	41,287.00	64,623.78	1,76,368.01	2,95,568.73
Projects temporarily suspended	-	-	-	32,099.77	32,099.77
Total	-	-	-	-	**3,27,668.50**

*Ageing Schedule of Capital Work in Progress is prepared based on the year of commencement of capex in respective Project .

Ageing Schedule of Capital Work in Progress whose completion, if overdue or, has exceeded its cost compared to its original plan and Projects Suspended.

(Rs in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress(Costs Overrun)					
132Kv Kankawali- Kudal Line	38.41	-	-	-	38.41
132KV Nimboni SS	51.63	-	-	-	51.63
132kV level at 400kV Lonikand ss, Pune	244.24	-	-	-	244.24
Projects Temporarily Suspended					
132KV Kalmeshwar-Hingna LL	-	-	1,241.68	-	1241.68
LL from 400kV PGCIL -220kV Hinjewadi-II	-	-	1,923.87	-	1923.87
220kV ln frm 400kV PGCIL (Kumri)ss-Bale	-	-	1,025.23	-	1025.23
400KV Hinjewadi GIS SS	-	-	20,446.03	-	20446.03
Evctn of Tarapur Extn	-	-	-	2,476.97	2476.97
220KV Khandalgaon-Dasturi Link Line	-	-	-	1,437.43	1437.43
LILO onboth ckts400kVTarapur-Padghe line	-	-	4.60	-	4.60
Estt. of 220KV Bapgaon S/S	-	-	-	83.00	83.00
Total	**334.28**	**0.00**	**24641.42**	**3997.40**	**28973.10**

Note 4.3: Intangible Assets

(Rs in Lakhs)

Particulars	As at 31.03.2020	Addition during the year	Disposal during the year	As at 31.03.2021	Addition during the year	Disposal during the year	As at 31.03.2022
Gross Block	1,272.15	376.04	(87.79)	1,560.40	716.02	(1,495.00)	781.42
Accumulated Amortisation	979.48	210.33		1,189.81	213.02	(784.86)	617.97
Total	292.67	165.71	(87.79)	370.58	503.00	(710.14)	163.45

Note 4.4 Right of Use Assets

(Rs in Lakhs)

Particulars	As at 31.03.2020	Addition during the year	Adjustment during the year	As at 31.03.2021	Addition during the year	Adjustment during the year	As at 31.03.2022
Leasehold Land							
Gross Block	12,184.35	1,490.70	(807.93)	14,482.98	1,545.03	-	16,726.91
Accumulated Amortisation	1.16	-	-	1.16	-	-	698.96
Total	12,183.18	1,490.70	(807.93)	14,481.81	1,545.03	-	16,027.95
Leasehold Building							
Gross Block	6,690.62	69.86	-	6,760.48	31.18	-	6,791.66
Accumulated Amortisation	1,689.22	1,689.67	-	3,378.89	1,696.69	-	5,075.58
Total	5,001.40	(1,619.81)	-	3,381.59	(1,665.51)	-	1,716.08
Balance at the end of the year	17,184.58	(129.11)	-807.93	17,863.41	(120.48)	-	17,744.03

Please refer Note 27

Notes to Standalone Financial Statements for the year ended 31st March, 2022

5 Investments in Subsidiaries, Associates and Joint Ventures

(Rs in Lakhs)

Particulars	Face Value (in Rs)	No. of Shares		Amount	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
A) Equity Instruments of Associates/ Joint Ventures Unquoted - At Cost					
Jaigad Power Transco Limited (JPTL)	10	3,57,50,000	3,57,50,000	3,575.00	3,575.00
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	10	88,04,579	88,04,579	880.46	880.46
Bonus shares 32,94,682 Nos (21,72,242 (Nos) issued during the FY 2018-19 and 11,22,449 (Nos) in 2020-21)		32,94,682	32,94,682	-	-
B) 15% Non Cumulative, Participating, Redeemable Preference Shares					
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	10	88,04,578	88,04,578	880.46	880.46
TOTAL		5,66,53,839	5,66,53,839	5,335.92	5,335.92
Aggregate amount of unquoted securities				5,335.92	5,335.92
Aggregate amount of quoted securities				-	-
Market value of quoted securities				-	-
Aggregate amount of impairment in the value of investments				-	-

6.1 Non - current Investments

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Quoted		
At amortised Cost		
Investments in Government Securities*	73,962.77	50,597.19
Investments in Bonds*	21,771.68	27,966.51
Un-Quoted		
Fixed Deposits with Bank	4,283.76	6,941.56
Total	**1,00,018.21**	**85,505.26**

* Earmarked against Contingency/Special Reserve Fund, LDCD Fund, ORC Deposit and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency

Contingency Reserve Fund and Special Reserve Fund	75,218.23	69,669.41
ORC Deposit	20,516.22	-
Foreign Exchange Fluctuation (JICA)	-	8,894.29
LDCD Fund	4,283.76	6,941.56
Total	100,018.22	85,505.26
Aggregate amount of unquoted securities	-	-
Aggregate amount of quoted securities	95,734.45	78,563.70
Market value of quoted securities	96,128.66	84,720.34
Aggregate amount of impairment in the value of investments	-	-

6.2 Non-Current Loans

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured , considered good unless stated otherwise		
Loans & Advances to Employees	124.49	124.14
Total	**124.49**	**124.14**

7 Non-Current Tax Assets (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Income Tax	31,271.72	15,056.60
(net of Provision for Tax Rs. 3,51,570.72 Lakhs (Previous Year Rs. 3,16,431.03 Lakhs)		
Total	**31,271.72**	**15,056.60**

8 Other Non-current Assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured , considered good unless stated otherwise		
Capital Advances	542.09	541.29
Unamortised transaction cost	38.10	32.51
Balances with group companies	2,077.97	2,077.90
Security Deposits	3,995.74	5,555.83
Advances to Suppliers	2,305.63	1,744.76
Advances and Recoverables	6.32	6.50
Total	**8,965.85**	**9,958.79**

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Stores & Spares	28,839.44	19,845.36
- Provision for Material Losses Pending Investigation & Obsolete Materials	(722.65)	(722.65)
Total	**28,116.79**	**19,122.71**

10.1 Current Investments

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Quoted		
At amortised Cost		
Investments in Government Securities*	9,150.90	5,073.09
Investments in Bonds*	6,163.60	6,073.71
Un-Quoted		
Fixed Deposit with Bank #	22,759.62	38,435.70
Total	**38,074.12**	**49,582.50**

Under Pledge Refer Note no-35

* Earmarked against Contingency Reserve, Special Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency as follows:

Contingency Reserve	6,516.81	6,073.71
Foreign Exchange Fluctuation (JICA)	8,797.69	5,073.09
Total	**15,314.50**	**11,146.80**

Aggregate amount of unquoted securities	0.00	0.00
Aggregate amount of quoted securities	15,314.50	11,146.80
Market value of quoted securities	15,536.40	11,514.66
Aggregate amount of impairment in the value of investments		

10.2 Trade Receivables

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured unless stated otherwise		
Considered Good	3,19,197.80	3,01,131.79
- Allowance as per Expected Credit Loss Model	-	-
Considered Doubtful	11,613.59	11,613.59
- Allowance for Doubtful	(11,613.59)	(11,613.59)
Total	**3,19,197.80**	**3,01,131.79**

10.3 Cash and Cash Equivalants

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balances with Banks		
In Current Accounts	6,705.31	11,483.55
In Fixed Deposit Accounts (with original maturity of less than 3 months)	37,709.55	7,456.19
Cash and Stamps on Hand	12.42	12.73
In Designated Current Account operated and maintained in terms of MERC Regulation@	22,209.10	20,116.00
Total	**66,636.38**	**39,068.47**

@ Refer Note No 47

10.4 Current Loans

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good		
Loans & Advances to Employees	250.89	277.18
Total	**250.89**	**277.18**

10.5 Other Current Financial Assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured , considered good unless stated otherwise		
Interest Receivable	4,397.03	2,736.08
Other Receivable	731.44	399.66
Total	**5,128.47**	**3,135.74**

11 Other Current Assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered Good		
Security Deposit*	0.00	0.41
Prepaid Expenses	724.71	490.37
Other Recoverable		
Considered good	120.69	118.76
Considered doubtful	149.11	149.11
Less - Provision for Doubtful Debts	(149.11)	(149.11)
Total	**845.40**	**609.54**

*Security Deposit are held in the name of Contractor

Notes to Standalone Financial Statements for the year ended 31st March, 2022

12 Equity Share Capital

(Rs in Lakhs)

	Particulars	As at 31.03.2022	As at 31.03.2021
a)	**Authorised** 1500,00,00,000 Equity Shares of Rs.10/- each (Previous year 31st March, 2021 : 1500,00,00,000)	15,00,000.00	15,00,000.00
b)	**Issued, Subscribed and Paid up** 898,49,74,733 Equity Shares of Rs.10/- each (Previous year 31st March, 2021 : 898,49,74,733)	8,98,497.47	8,98,497.47
	Total	**8,98,497.47**	**8,98,497.47**

c) **Terms & Rights attached to equity shares**

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

d) **Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31.03.2022		As at 31.03.2021	
	Numbers	Rs. in Lakhs	Numbers	Rs. in Lakhs
Shares outstanding at the beginning of the year Add: Shares Issue during the year	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47
Shares outstanding at the end of the year	**8,98,49,74,733**	**8,98,497.47**	**8,98,49,74,733**	**8,98,497.47**

e) **Shares held by the Promoter at the end of the year**

Shares held by the Promoter at the end of the year				% Change during the year
Promoter Name	Designation	No of Shares	% of Total Shares	
MSEB Holding Company Limited		8,98,49,74,673	99.99%	NIL
Shri Dinesh T. Waghmare, IAS	MD,MSEBHCL	10	0.01%	
Shri Dinesh T. Waghmare, IAS	CMD, MSETCL	10		
Shri Ravindra Atmaram Sawant	Dir(F), MSEBHCL	10		
Shri Quadri Nasir Syed Mazhar	Dir(P), MSETCL	10		
Shri Anil V. Kolap	Dir(O), MSETCL	10		
Shri Ashok Phalnikar	Dir(F), MSETCL	10		

*All Individual shareholders are holding shares in their ex-officio capacity of their respective Directorship. They are nominee shareholders of MSEB Holding Co. Ltd.

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Numbers	%	Numbers	%
Equity Shares				
MSEB Holding Company Limited	8,98,49,74,673	99.99%	8,98,49,74,673	99.99%

g) **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Equity Shares of Rs.10 each issued in the financial year 2015-16 as fully paid up to the shareholders of MSEB Holding Company limited, pursuant to the Maharashtra State Electricity Reforms Transfer Scheme, 2005 approved by Governement of Maharashtra on 31.03.2016.	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47

h) There were no shares alloted as fully paid up by way of Bonus shares and Buy back during the period of five years immediately preceding the reporting date

13 Other Equity

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Reserves & Surplus		
a) Contingency Reserve Fund (Refer note (a) below)		
Opening Balance	69,643.00	62,803.00
Transferred from retained earnings	8,335.00	6,840.00
	77,978.00	**69,643.00**
b) Special Reserve Fund (Refer note (b) below)		
Opening Balance	13,939.00	13,939.00
Add : Addition During the Year	-	-
	13,939.00	**13,939.00**
c) Load Despatch Center Empowerment Reserve (LDCD) Fund (Refer note (c) below)		
Opening Balance	6,941.56	5,265.15
Add : Addition/(Reversal) During the Year	(1,857.08)	1,857.83
Less : Utilisation for capex (allowed by MERC)	(800.72)	(181.42)
	4,283.76	**6,941.56**
d) Retained Earnings		
Opening Balance	2,42,138.89	1,43,297.34
Appropriation of Load Despatch Center Empowerment Reserve (LDCD) Fund amount from Retained Earnings	1,857.08	(1,857.83)
Profit for the year	95,535.95	107,337.17
Other comprehensive income for the year	(2,145.16)	202.21
Total comprehensive income for the year	**93,390.79**	**107,539.38**
Transfered to Contingency Reserve	(8,335.00)	(6,840.00)
Transfered to Special Reserve Fund	-	-
	3,29,051.76	**2,42,138.89**
Total	**4,25,252.52**	**3,32,662.45**

The Description of the nature and purpose of each reserves in other equity is as follows:

a) Contingency Reserve Fund-

A contribution towards Contingency Reserves has to be made in accordance with Regulation 36 of MERC(MYT) Regulations, 2015 and which is within the prescribed limits of Regulation(not less than 0.25% and not more than 0.5% of the original cost of fixed assets annually) and is to be invested in the approved class of securities authorised under the Indian Trust Act, 1882.

b) Special Reserve Fund-

A contribution towards Special Reserve has to be made in accordance to the mechanism for sharing of gains or losses on account of controllable factors as per MERC Regulation, 2005. As per the regulation 19.1(b) one third of the amount of such gain is to be retained in a special reserve for the purpose of absorbing the impact of any future losses on account of controllable factors.

c) Load Despatch Center Empowerment Reserve (LDCD)-

A contribution towards Load Despatch Center Development Fund has been made in accordance with Regulation 12 of the CERC (Fees and Charges of RLDC and Other related matters) 2015. The said fund is to be utilised for administrating capital expenditure.The charges on account of return on equity, interest on loan, depreciation of the Regional Load Despatch Centres and National Load Despatch Centre including the registration fee, shall be deposited into the LDCD Fund after meeting the statutory tax requirements.

14.1 Non-Current Borrowings

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Secured		
Term Loans from Banks (Note 14.1.a)	1,44,064.03	65,384.74
Term Loans from Other Parties (Note 14.1.b)	2,76,185.53	3,87,446.81
Total	**4,20,249.56**	**4,52,831.55**

(Refer Note 35 & 37.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

14.1. a. Term Loans from Banks

(Rs in Lakhs)

Name of the Bank	As at 31.03.2022	As at 31.03.2021
Canara Bank	15,708.11	15,262.03
Bank of Maharashtra	66,535.99	30,699.72
Bank of India	4,953.11	7,253.16
ICICI Bank	21,111.10	0.00
Bank of India - 2	25,660.64	12,169.83
Bank of India - 3	10,095.08	0.00
Total	**1,44,064.03**	**65,384.74**

14.1. b. Term Loans from Other Parties

(Rs in Lakhs)

Name of the Financial Institutes	As at 31.03.2022	As at 31.03.2021
Rural Electrification Corporation Limited	2,17,536.63	2,60,505.46
Japan International Corporation Agency	0.00	2,865.59
Power Finance Corporation Limited	54,134.06	1,19,601.51
Kreditanstalt für Wiederaufbau (KfW) Bank #	4,514.84	4,474.25
Total	**2,76,185.53**	**3,87,446.81**

Refer Note 46

14.2 Other Non-Current Financial Liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Retention Money	1,07,862.20	1,07,699.59
Security Deposits *	15,335.33	17,656.27
Other deposits	76.44	96.89
Deposit received from Consumers under ORC Schemes	1,23,145.85	1,13,639.57
Total	**2,46,419.82**	**2,39,092.32**

* Security / Other Deposits from Vendors/Contractors/Customer, not being considered as Financial Liability on the basis of guidance in Ind AS 113 issued by Institute of Chartered Accountants of India (ICAI) is not fair valued.

15 Non - Current Provisions

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Employment Benefits		
Provision for Gratuity	43,828.24	39,213.68
Provision for Leave Encashment	47,474.16	43,945.15
Creditors for Capital Expenditures	12,074.72	11,939.86
Total	**103,377.12**	**95,098.69**

16 Deferred tax liabilities (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred tax liabilities		
Property, plant and equipment (includes intangible assets and revaluation impact)	2,89,907.98	2,99,718.11
DTL	**2,89,907.98**	**2,99,718.11**
Deferred tax assets		
Right of Use Assets and its Lease Liabilities	175.81	201.09
Loans and borrowings	820.34	824.25
Employee Benefits	27,216.50	24,783.40
Impairment on trade receivables	963.09	963.09
Government grant	1,232.21	629.92
Amortisation of investment in govt securities	1,547.55	1,538.69
Others	7,778.41	7,778.41
DTA	**39,733.89**	**36,718.86**
Reversal of opening DTL	3,499.92	3,499.92
Net (DTA)/DTL	**2,46,674.17**	**2,59,499.33**

* Refer Note -32

17 Other Non-Current Liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Grant : Power System Development Fund	6,922.54	3,975.22
Grant: Towards cost of capital assets	14,683.83	15,460.67
Grant : Green Energy Corridor for Projects	7,499.44	7,998.11
Grant: Tribal Sub Plan Area (TSP)	1,874.26	1,914.13
Grant: In Aid from PGCIL for REMC Assets	468.67	617.48
Total	**31,448.74**	**29,965.61**

(Refer Note No 30)

18.1 Current Borrowings

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Loan Repayable on Demand		
Secured		
Current Maturities of Term Loans from Banks	35,948.57	29,583.00
Current Maturities of Term Loans from Other Parties	45,513.44	56,372.76
Total	**81,462.01**	**85,955.76**

(Refer Note 35 & 37.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

18.2 Trade payables

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Dues to Micro,Small and Medium Enterprises (Refer note 41)	283.73	712.12
Due to others	24,761.38	28,420.60
Total	**25,045.11**	**29,132.72**

18.3 Other current financial liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Interest accrued but not due on borrowings	2,806.83	4,250.05
Payable to MSEB CPF Trust	1,922.44	2,361.83
Employee related payables	4,663.40	4,672.05
Payable to group companies	4,239.89	4,121.19
Other payables	1,422.37	1,247.40
Total	**15,054.93**	**16,652.52**

19 Other current liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Duties & taxes payable	1,389.32	1,181.77
Advances from customers	3,662.74	6,412.17
Other Liability - Thrid Party (Net) (Liability in respect of Designated Accounts operated and maintained in terms of MERC Regulations) @	22,209.10	20,116.00
Other payables	406.42	319.03
Total	**27,667.58**	**28,028.97**

@ Refer Note No 47

20 Short term provisions

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for gratuity	4,741.70	5,385.35
Provision for leave encashment	8,387.10	8,815.22
Provision for CSR Expenditure	6,765.06	8,138.01
Provision for late interest payment on Service Tax	264.43	264.43
Provision for Tree/Land Compensation	1,428.62	1,626.54
Provision for Pay Revision	0.00	6,847.51
Provision for Shortfall on CPF Liability	2,652.91	3,593.92
Other Provisions	3158.43	1643.35
Total	**27,398.25**	**36,314.33**

21 Revenue from operations

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Transmission charges (STU)	4,57,160.05	4,59,807.82
Transmission charges (Goa)	0.00	0.00
Transmission charges (Others)	13,191.97	13,312.14
Open Access Charges	934.47	518.29
SLDC Charges	3,238.32	3,416.26
Additional Transmission and Regulatory Charges	11,211.96	0.00
Rescheduling Charges	643.01	342.83
Total	**4,86,379.78**	**4,77,397.34**

22 Other Income

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Interest income	11,134.40	9,067.28
Rent	662.07	654.44
Profit on sale of Property , Plant and Equipment	1,330.83	662.62
Sale of tender forms	109.67	88.77
Income from sale of scrap	1,018.44	1,082.76
Government Grant	1,723.59	1,169.76
Other Miscellaneous Income #	17,580.50	8,445.61
Gain on foreign currency transactions and translations (Net)	382.82	470.58
Total	**33,942.32**	**21,641.82**

includes the rectification entry passed for Rs 4635.44 lakhs in PY 2020-21 on account of erroneous booking of additional transmission charges accrued, reversed after due clarification from MERC.

23 Repairs & Maintenance Expenses

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Property, Plant and Equipment	39,192.76	14,152.69
Others	0.00	0.05
Repairs and maintenance expenses capitalised	(18.22)	(62.54)
Total	**39,174.54**	**14,090.20**

Charging of previous years Repairs & Maintenance Expenses, withdrawn due to treating of Inventory as Property Plant and Equipment Policy as referred at Note No 50.

Financial Year	(Rs in lakhs)
FY 2015-16	722.74
FY 2016-17	2,140.90
FY 2017-18	2,913.39
FY 2018-19	10,295.83
FY 2019-20	5,558.32
FY 2020-21	19,917.47
TOTAL R&M charged as Exceptional items in FY 2021-22	41,548.65

24 Employee Benefits Expense

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Salaries, allowances, Bonus etc.	94,917.00	90,586.11
Staff welfare expenses	4,954.94	3,569.82
Other staff costs*	(86.10)	1,559.92
Leave encashment	11,155.36	8,212.47
Gratuity	5,843.25	5,873.76
Contribution to Provident & Other Funds	8,425.13	8,007.83
Employee costs capitalised	(8,783.52)	(8,188.28)
Total	**1,16,426.06**	**1,09,621.63**

* Includes reversal of excess provision for CPF Plan Assets by Rs. 941 Lakhs (PY Nil).

25 Finance Costs

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Interest Expense		
(i) Banks	13,524.00	3,334.05
(ii) Others	33,047.78	53,682.57
Transaction Costs	184.44	146.78
Other Finance Costs		
(i) Miscellaneous Costs	2,129.49	778.41
Amortisation of borrowings	79.10	146.14
Interest on Lease Liabilities	296.13	458.80
Interest and Finance Charges Capitalised	(7,363.44)	(8,033.87)
Total	**41,897.51**	**50,512.88**

26 Other expenses

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Advertisement Expenses	35.33	46.77
Advertisement of tenders / notices and other purchase related advertisement	309.53	319.28
Auditor's Remuneration		
Statutory Audit Fees	29.50	22.00
For Reimbursement of Expenses	9.00	9.00
For Reimbursement of GST on Audit Fee	6.93	5.58
Electricity Charges	6,370.02	5,440.91
Freight Charges	1.49	2.71
Insurance	297.57	269.29
Legal & Professional (Technical/Consultancy/Other Auditors) Fees	923.48	377.06
Membership & Subscription	597.64	579.47
Miscellaneous Expenses	2,420.97	1,350.05
Balances Written off/ written back (Net)	461.85	50.79
Outsource Personnel Salary	10,416.82	8,934.17
Postage Telephone & Telex	343.76	356.29
Printing & Stationery	286.97	211.94
Rent	32.42	59.09
Rates & Taxes	1,671.66	1,495.56
Security Expenses	10,232.83	9,676.36
Travelling & Conveyance	501.87	523.97
Upkeep of office (incl Rest house maintenance)	1,129.44	1,131.43
Vehicle Running & Maintenance Expenses	456.77	337.61
Water charges	592.09	584.25
Expenditure on Hire	3,012.22	2,520.76
Foreign Exchange Loss	0.37	111.20
Corporate Social Responsibility Expenses*	1,944.39	1,359.21
- Expenses capitalised	(1,770.10)	(1,530.89)
Total	**40,314.82**	**34,243.87**

* Refer Note No. 45

Note No 27 : Leases

I) **Leases as Lessee**

The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the company. Right of Use and Lease Liabilities have been shown separately in the Balance Sheet.

The Company has adopted Ind AS 116 "Leases" with effect from April 1, 2019, with a modified retrospective approach. The Company has elected to account for short-term leases using the practical expedients i.e. instead of recognising right-of-use asset and lease liability, the payments in relation to these shot term leases are recognised as an expense in profit or loss. Company uses borrowing rate of 10.04% as considered by MERC during the approval of Interest Expenses on Normative Loans in its ARR Orders.

I. Lease disclosures under Ind-AS 116 for the current year ended 31 March 2022

(I) Amount Recognised in the Balance sheet

(Rs in Lakhs)

Sr. No.	Particulars	For year ended 31.03.2022	For year ended 31.03.2021
a)	**Right-of-use assets (net)**	**17,744.03**	**17,863.41**
b)	**Lease liabilities**		
	Current	1,947.42	1,760.08
	Non-current	31.13	1,956.33
	Total Lease liabilities	**1,978.55**	**3,716.41**
c)	**Additions to the Right-of-use assets**	31.17	69.86

(ii) Amount recognised in the Statement of profit and Loss

(Rs in Lakhs)

Sr. No.	Particulars	For year ended 31.03.2022	For year ended 31.03.2021
a)	Depreciation charge for right-of-use assets	1,696.70	1,689.66
b)	Interest expenses (included in finance cost)	296.13	458.80

(iii) Future Commitments

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Future undiscounted lease payment	2090.09	4118.39

(Iv) Maturity analysis of undiscounted lease liability

(Rs in Lakhs)

Period	For year ended 31.03.2022	For year ended 31.03.2021
Not Later than one year	2057.78	2064.42
Later than one year	32.31	2053.97
Total	**2090.09**	**4118.39**

The Company's significant leasing/ licensing arrangements are mainly in respect of office premises. Leases generally have a lease term ranging for 60 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

Finance costs includes interest expense amounting to Rs 296.13 Lakhs for the year ended 31st March 2022 on lease liablity accounted in accordance with Ind AS 116 "Leases".

II) **Leases as lessor**

The Company has given land to Maharashtra Eastern Grid Power Transmission Company Limited for 20 years for construction of 765/400 sub-station. All the land cost have been received from MEGPTL. Hence assets is adjusted and kept at Re 1 under Property, Plant and Equipment.

Note 28 : Employee Benefits

a) **Defined Contribution Plans**

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss. According to the Management, the Actuary has opined that actuarial valuation can not be applied to reliably measure provident fund liabilities in absence of guidance from the Actuary Society of India. The Fair value of investment is excess by Rs.2 185.79 Lakhs (PY Rs. 172.19 Lakhs) than subscription value, hence no provision is made by the Company. The Company recognised Rs. 8418.83 lakhs (previous year Rs. 7,999.54 lakhs) for Provident Fund contribution in the Statement of Profit and Loss.The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Provident Fund

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Liability for subscriptions and interest payable to employees at the end of the year	1,92,229.42	1,77,298.35
Fair value of plan assets at the end of the year	1,92,415.21	1,77,470.54
Net Liability	**(185.79)**	**(172.19)**

ii) Description of plan assets

Particulars	As at 31.03.2022	As at 31.03.2021
Government Securities (GOI)	6.58%	7.11%
State Development Loan (SDL)	32.83%	31.03%
Other Security Guarantee by Central/State Govt	5.88%	6.47%
Debt's and Other Related Instrument	28.63%	29.97%
Others	1.53%	1.98%
Exchange Traded Fund (ETF) SBI & UTI	4.45%	2.49%
Special Deposit Schemes(SDS)	20.09%	20.95%

b) **Defined Benefit Plan : Gratuity**

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

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

Gratuity (Unfunded)
Movement in net defined benefit (asset)/ liability
I) Reconciliation of opening and closing balances of Gratuity obligation

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Defined benefit obligation at the beginning of the year	44,599.03	45,043.17
Current service cost	2,779.30	2,771.27
Past Service Cost	-	-
Net Interest cost	3,063.95	3,103.47
Actuarial (gain)/loss on Obligation - Due to change in Demographic Assumptions	(263.13)	-
Actuarial (gain)/loss on Obligation - Due to change in Financial Assumptions	(1,570.15)	73.13
Actuarial (gain)/loss on Obligation - Due to change in Experience	5,130.69	(383.93)
Benefits paid	(5,169.75)	(6,008.08)
Defined benefit obligation at the end of the year	**48,569.94**	**44,599.03**

ii) Reconciliation of opening and closing balances of fair value of plan assets **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

iii) Reconciliation of fair value of assets and obligations: **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Fair value of plan assets as at the end of the year	-	-
Present value of obligations as at the end of the year	(48,569.94)	(44,599.03)
Unfunded (Liability)/asset recognized in the Balance Sheet	(48,569.94)	(44,599.03)

iv) Amount recognized in the Statement of Profit and Loss : **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Current service cost	2,779.30	2,771.27
Interest cost	3,063.95	3,103.47
Past Service Cost	-	-
Expected return on plan assets	-	-
Net Actuarial (gain)/loss	-	-
Total expenses recognized in the Statement of Profit and Loss account	5,843.25	5,874.74

v) Amount recognised in Other Comprehensive Income : **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Actuarial (Gains)/ Losses	-	-
- Changes in Demographic assumptions	(263.13)	-
- Changes in Financial arrangements	(1,570.15)	73.13
- Changes in the effect of limiting a net defined benefit asset ceiling, excluding amounts included in interest	-	-
- Experience adjustments	5,130.69	(383.93)

vi) Major Actuarial Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	7.25%	6.87%
Expected return on plan assets	NA	NA
Salary increment	5%	5%
Employee turnover	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality rate after employment	NA	NA

vii) The expected future cash flows as on :

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Projected benefits payable in future years from the date of reporting		
1st following year	4,741.70	5,385.35
2nd following year	3,746.84	3,039.58
3rd following year	4,099.48	4,072.89
4th following year	3,631.55	3,582.98
5th following year	3,714.62	3,163.05
Sum of year 6 to 10	18,474.03	15,906.49
Sum of Year 11 and above	65,626.54	56,583.79

viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31.03.2022	As at 31.03.2021
(+) 1% change in rate of discounting	(3,738.22)	(3,400.33)
(-) 1% change in rate of discounting	4,331.78	3,958.99
(+) 1% change in rate of salary increase	4,386.46	3,993.92
(-) 1% change in rate of salary increase	(3,845.90)	(3,487.15)
(+) 1% change in rate of employee turnover	790.48	593.33
(-) 1% change in rate of employee turnover	(884.49)	(667.90)

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

c) Long Term Benefits: Leave Encashment

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Projected Benefit Obligation	39,340.93	37,307.98
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

ii) Major Actuarial Assumptions (Earn Leave Valuation)

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	7.25%	6.87%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years
While in service encashment rate	10% for the next year	10% for the next year

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Projected Benefit Obligation	16,520.33	15,452.39
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

iv) Major Actuarial Assumptions (Half paid leave)

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	7.25%	6.87%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years

Note 29 : Related Party Transactions

1 Names of related parties

a) Subsidiary

Kharghar Vikhroli Transmission Private Limited **(ceased to be subsidiary w.e.f. 25th June 2020)**

Associates

Jaigad Power Transco Limited

Maharashtra Transmission Communication Infrastructure Limited

b) Key Managerial Personnel

Key Management Personnel Name	Designation	Tenure
Shri. Dinesh T. Waghmare	Chairman & Managing Director	23.01.2020 onwards
Shri. Ravindra Dinkarrao Chavan	Director (Projects)	06.05.2015 to 04.05.2018 18.05.2018 to 29.10.2021
Shri. Nasir Syed Quadrri	Director (Projects)	05.10.2021 onwards
Shri. Sanjay Taksande	Director (Operations)	01.04.2019 to 19.03.2021
Shri. Anil V Kolap	Director (Operations)	05.10.2021 onwards
Shri. Ashok Phalnikar	CFO & Director(Finance)	05.10.2020 onwards
Smt. Pushpa Ramcharan Chavan	Independent Director	26.06.2014 to 01.06.2020
Shri. Vishwas Pathak	Independent Director	24.08.2015 to 08.01.2020
Smt. Trupti Nitin Mudholkar	Independent Director	22.01.2021 onwards
Smt. Vineeta Shriwani	Company Secretary	22.06.2015 onwards

c) Remuneration paid to Key Managerial Personnel

(Rs in Lakhs)

Key Management Personnel Name	2021-22	2020-21
Shri. Dinesh T. Waghmare	-	32.48
Shri. Ravindra Dinkarrao Chavan	102.34	59.38
Shri. Anil V Kolap	24.51	-
Shri. Sanjay Taksande	3.89	31.22
Shri. Nasir Syed Quadrri	21.48	-
Shri. Ashok Phalnikar	33.00	16.36
Smt. Vineeta Shriwani	32.44	30.18

d) Sitting Fees paid to Independent Directors

(Rs in Lakhs)

Name of Independent Directors	2021-22	2020-21
Smt. Pushpa Ramcharan Chavan	-	0.05
Smt. Trupti Nitin Mudholkar	0.40	0.00

e) Transactions during the year with Subsidiaries/Associates:

(Rs in Lakhs)

Particulars	2021-22	2020-21
Subsidiary		
Kharghar Vikhroli Transmission Pvt Limited		
Investment in Equity Shares*	**0.00**	**(5.00)**
A	**0.00**	**(5.00)**
Associates		
Jaigad Power Transco Limited		
Bay Maintenance income	57.80	44.52
B	**57.80**	**44.52**
Total (A+B)	**57.80**	**39.52**

* ceased to be subsidiary w.e.f. 25th June 2020.

f) Outstanding balances with Associates:

(Rs in Lakhs)

Name of Associates	As at 31.03.2022	As at 31.03.2021
Investments in Equity Shares		
Jaigad Power Transco Limited	3,575.00	3,575.00
Maharashtra Transmission Communication Infrastructure Limited	880.46	880.46
Investments in Preference Shares		
Maharashtra Transmission Communication Infrastructure Limited #	880.46	880.46

2 Key Managerial Personnel are not entitled for post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements.

3 The Company has not included disclosure in respect of following related parties which are Government related entities as per Ind AS 24:
Maharashtra State Power Generation Company Limited (MahaGenco) (MSPGCL)
Maharashtra State Electricity Distribution Company Limited (MahaVitaran) (MSEDCL)
MSEB Holding Company Limited (MSEB Holding Company Limtied) (MSEBHCL)

Note 30 : Government Grants for capital assets

(Rs in Lakhs)

Capital / Government grants		Amount
As at 01.04.2020		**29,184.17**
Received during FY 2020-21		1,700.48
Interest received on GEC & PSDF Grants		250.72
Refunded to Government during the year FY 2020-21		0.00
Government Grant amortised during FY 2020-21		(1,169.76)
As at 31.03.2021		**29,965.61**
Received during FY 2021-22		3,190.00
Interest received on GEC & PSDF Grants		23.29
Refunded to Government during the year FY 2021-22		(6.57)
Government Grant amortised during FY 2021-22		(1,723.59)
As at 31.03.2022		**31,448.74**
	31.03.2022	**31.03.2021**
Current	776.83	776.83
Non-current	30,671.91	29,188.78
Total	**31,448.74**	**29,965.61**

MSETCL has received Government Grant for the purpose of strengthening of Transmission Network by constructing Substations and Lines in various Districts in Maharashtra.

F.Y.	Grants Received (Rs in lakhs)	Reasons for unfulfilled conditions
Grant received for Construction of Substations and Lines for strentening of Transmission Network in 14 Districts		
2006-07	6,850.00	Total 29 Schemes out of which only 2 schemes are still ongoing, status thereof is unascertainable
2007-08	8,000.00	Total 21 Schemes out of which only 4 schemes are still ongoing, status thereof is unascertainable
2008-09	9,000.00	Total 79 Schemes out of which only 3 schemes are still ongoing, status thereof is unascertainable
Grant received as Power System Development Fund for System Improvement		
2017-18	874.40	Work in progress
2018-19	1,284.90	
2019-20	740.60	
2020-21	1,083.00	
2021-22	3,190.00	
Grant against Green Energy Corridor Project received as per the recommendation of 13th Finance Commission towards equity portion of MSETCL		
2017-18	7,500.00	Work in progress
2018-19	3,556.59	
2019-20	611.20	
2019-20 (Refunded)	(3,500.00)	
Grant received from State Government towards 50% construction cost of Jawahar substation in Thane district under Tribal Sub Plan Area (TSP)		
2017-18	1,809.38	Work in progress
2018-19	182.20	
Grant in Aid from Ministry of Power ,GoI (through PGCIL) for Renewable Energy Management Center (REMC) Assets as part of control infrastructure at Green energy corridors at 11 locations.		
2020-21	617.48	Assets handed over to SLDC by PGCIL
Interest Earned on GEC and PSDF Grant	23.29	

Note 31 : Earnings Per Share (EPS)

Particulars	31.03.2022	31.03.2021
No. of Equity Shares at the begenning of the year	8,98,49,74,733	8,98,49,74,733
Shares issued during the year (Nos)	-	-
No. of Equity Shares at the end of the year	8,98,49,74,733	8,98,49,74,733
Weighted Average No of Equity Shares	8,98,49,74,733	8,98,49,74,733
Profit for calculation of EPS (Rs in lakhs)	95,535.95	107,337.17
Basic and Diluted Earnings Per Share (Rs)	1.06	1.19

Note 32 : Tax expense

(a) Amounts recognised in statement of profit and loss

(Rs in Lakhs)

Particulars		For year ended 31.03.2022	For year ended 31.03.2021
Current year		35,139.69	49,204.65
Current tax expense	**(A)**	**35,139.69**	**49,204.65**
Origination and Reversal of Temporary Differences -		(11,672.96)	12,272.60
Deferred Tax (Credit)/Charge			
Deferred tax expense	**(B)**	**(11,672.96)**	**12,272.60**
Tax expense recognised in the current statement	**(A) + (B)**	**23,466.73**	**61,477.25**

(b) Amounts recognised in Other Comprehensive Income

(Rs in Lakhs)

Particulars	For year ended 31.03.2022			For year ended 31.03.2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss : Remeasurements of the defined benefit plans	(3,297.40)	1,152.24	(2,145.16)	310.80	(108.59)	202.21
	(3,297.40)	**1,152.24**	**(2,145.16)**	**310.80**	**(108.59)**	**202.21**

(c) Reconciliation of effective tax rate

(Rs in Lakhs)

Particulars	2021 - 22		2020 - 21	
	%	Rs in Lakhs	%	Rs in Lakhs
Profit before Tax		1,19,002.68		168,814.42
Current Tax using Applicable Tax Rate	34.94	41,584.30	34.94	58,990.51
Tax effect of:				
Non-deductible Expenses	1.16	1,381.04	0.61	1,033.03
Allowable Expenses	(1.78)	(2,120.92)	(2.45)	(4,136.33)
Deduction u/s 80-IA	(4.79)	(5,704.66)	(3.96)	(6,683.09)
DTL Reversal on Reclassification of Spares	(11.60)	(13,804.49)	-	-
DTL on Property, Plant & Equipment	4.32	5,146.63	7.80	13,170.12
DTA on Others	(2.53)	(3,015.17)	(0.53)	(897.00)
Current Tax as per P&L and Effective Tax Rate	**19.72**	**23,466.73**	**36.42**	**61,477.25**

Note 32: Tax expense (continued)

(d) Movement in deferred tax balances

(Rs in Lakhs)

				31-3-2022			
Particulars	**Net balance April 1, 2021**	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets and revaluation impact)	(2,99,718.11)	9,810.13	-	-	(2,89,907.98)	-	(2,89,907.98)
Right of Use Assets and its lease liability	201.09	(25.28)	-	-	175.81	175.81	-
Loans and borrowings	824.25	(3.91)	-	-	820.34	820.34	-
Employee benefits	24,783.40	1,280.86	1,152.24	-	27,216.50	27,216.50	-
Provisions (Trade Receivables)	963.09	-	-	-	963.09	963.09	-
Government grant	629.92	602.29	-	-	1,232.21	1,232.21	-
Investment in government security	1,538.69	8.86	-	-	1,547.55	1,547.55	-
Other items	7,778.41	-	-	-	7,778.41	7,778.41	-
Tax assets (Liabilities)	(2,62,999.27)	11,672.96	1,152.24	-	(2,50,174.07)	39,733.91	(2,89,907.98)
Reversal of Opening DTL	3,499.92	-	-	-	3,499.92	3,499.92	-
Tax assets (Liabilities) (Net)	(2,59,499.35)	11,672.96	1,152.24	-	(2,46,674.15)	43,233.83	(2,89,907.98)

(e) Movement in deferred tax balances

(Rs in Lakhs)

				31-3-2021			
Particulars	**Net balance April 1, 2021**	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,87,898.56)	(11,819.55)	-	-	(2,99,718.11)	-	(2,99,718.11)
Right of Use Assets and its lease liability	84.09	117.00	-	-	201.09	201.09	-
Loans and borrowings	824.25	-	-	-	824.25	824.25	-
Employee benefits	26,133.97	(1,241.98)	(108.59)	-	24,783.40	24,783.40	-
Provisions	963.09	-	-	-	963.09	963.09	-
Government grant	221.16	408.76	-	-	629.92	629.92	-
Investment in government security	1,275.50	263.18	-	-	1,538.69	1,538.69	-
Other items	7,778.41	-	-	-	7,778.41	7,778.41	-
Tax assets (Liabilities)	(2,50,618.10)	(12,272.59)	(108.59)	-	(2,62,999.27)	36,718.85	(2,99,718.11)
Reversal of Opening DTL	3,499.92	-	-	-	3,499.92	3,499.92	-
Tax assets (Liabilities) (Net)	(2,47,118.18)	(12,272.59)	(108.59)	-	(2,59,499.35)	40,218.77	(2,99,718.11)

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

Note No. 33

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost: **(Rs in Lakhs)**

	31-3-2022				31-3-2021			
Particulars	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Fair Value of items carried at Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Fair Value of items carried at Amortised cost**
Non -current financial Assets								
Investments			1,00,018.21				85,505.26	
Loans #			124.49				124.14	
Current Financial assets								
Investments			38,074.12				49,582.50	
Loans #			250.89				277.18	
Other Financial Assets #			5,128.47				3,135.74	
Total	-	-	**1,43,596.19**	-	-	-	**1,38,624.81**	-
Non - current Financial Liabilities								
Borrowings #			4,20,249.56				4,52,831.55	
Other non - current Financial Liabilities #			2,46,419.82				2,39,092.32	
Current Financial liabilities								
Borrowings #			81,462.01				85,955.76	
Trade Payables #			25,045.11				29,132.72	
Other Financial Liabilities #			15,054.93				16,652.52	
Total	-	-	**7,88,231.43**	-	-	-	**8,23,664.87**	-

The above amounts are considered at cost

MSETCL has identified financial risk and categorized them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category are as below.

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from customers and investment securities. MSETCL establishes the policy for allowance for expected credit loss and impairment that represents its estimate of losses in respect of trade, other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amounts.

Trade receivables:

As per the accounting policy, MSETCL has determined the allowance of expected credit loss on trade receivables arising out of its business of primary electricity transmission utility in the state of Maharashtra and taking into consideration its base of customers comprising of distribution Licensees, Wheeling of power and receivables from other services including STU and allied servies which contains major amounts to be recovered from fellow subsidiairies or entities which are also public sector entities

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

The Company works out the expected credit losses of trade receivables (which are presently considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables from services as described above. **However MSETCL, after considering the behaviour pattern of the customers has not made the provision for expected credit loss, other than for the identified doubtful receivables.**

Trade Receivable ageing Schedule as at 31 March 2022

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade Receivables - Considered Good	1,17,101.19	10,361.88	1,861.28	933.83	1,88,939.62	3,19,197.80
(ii) Undisputed Trade Receivables - Increased Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Increased Credit Risk	-	-	-	-	11,613.59	11,613.59
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-

Trade Receivable ageing Schedule as at 31 March 2021

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade Receivables - Considered Good	86,953.68	1,430.97	1,029.78	982.21	2,10,735.15	3,01,131.79
(ii) Undisputed Trade Receivables - Increased Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Increased Credit Risk	-	-	-	-	11,613.59	11,613.59
(vi) Disputed Trade Receivables - Credit Impaired						-

Trade Payable Ageing Schedule as at 31 March 2022

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
(i) MSME	283.73	-	-	-	283.73
(ii) Others	12,427.74	2,161.89	544.88	9,626.86	24,761.37
Disputed Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-

Trade Payable Ageing Schedule as at 31 March 2021 **(Rs in Lakhs)**

	Outstanding for following periods from date of transaction				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Payables					
(i) MSME	712.12	-	-	-	712.12
(ii) Others	9,400.59	483.704484	18,536.31	-	28,420.60
Disputed Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-

Cash and Cash Equivalents: **(Rs in Lakhs)**

Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Balances with Banks		
In Current Accounts	6,705.31	11,483.55
In Fixed Deposit Accounts (with original maturity of less than 3 months)	37,709.55	7,456.19
Cash and Stamps on Hand	12.42	12.73
In Designated Current Account operated and maintained in terms of MERC Regulation	22,209.10	20,116.00
TOTAL	**66,636.38**	**39,068.47**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Company has an adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic credit rating from reputed credit rating agencies enables access of funds from domestic market. It's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. MSETCL diversifies its capital structure with a mix of financing products across varying maturities and currencies. The financing products include, clean & secured domestic Term loans. These loans are taken from REC, PFC and banks.

(ii) Maturities of financial liabilities

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

Particulars	**Contractual cash flows**					
	31.03.2022			**31.03.2021**		
	Upto 1 year	**2-3 years**	**More than 3 years**	**Upto 1 year**	**2-3 years**	**More than 3 years**
Non-derivative financial liabilities						
Borrowings	81,462	1,68,580	2,51,669	85,955	1,44,946	3,07,886
Total	**81,462**	**1,68,580**	**2,51,669**	**85,955**	**1,44,946**	**3,07,886**

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

Currency risk:

Interest rate risk exposure:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(Rs in Lakhs)

Particulars	Carrying amount	
	31.03.2022	31.03.2021
Fixed-rate instruments		
Financial assets	1,38,092.33	1,35,087.76
Financial liabilities	7,716.18	14,467.10
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	4,93,995.39	5,24,320.21

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs in Lakhs)

Particulars	Profit or loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2022		31.03.2021	
Floating rate borrowings	1,234.99	(1,234.99)	1,310.80	(1,310.80)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	1,234.99	(1,234.99)	1,310.80	(1,310.80)

Note 34 A : Details of Associates

Name of Associate	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
			As at 31.03.2022	As at 31.03.2021
Equity Shares				
Jaigad Power Transco Ltd (JPTL) electricity	Transmission of	Mumbai	26.00%	26.00%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	49.00%	49.00%
Preference Shares				
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	100.00%	100.00%

Aggregate Summarised Financial Information of Associates that are not individually material **(Rs in Lakhs)**

Associates	Jaigad Power Transco Ltd (JPTL)		Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	
Particulars	2021-22	2020-21	2021-22	2020-21
Carrying amount of Investment in Equity Shares	3,575.00	3,575.00	880.46	880.46
Carrying amount of Investment in Preference Shares			880.46	880.46
Company's Share of Profit or Loss from Continuing Operations	744.75	654.13	620.93	(138.98)
Company's share of post-tax profit or loss from discontinued operations	-	-	-	-
Company's share in other comprehensive income	(3.74)	0.39	2.70	0.50
Company's share in Total comprehensive income	**741.01**	**654.53**	**623.62**	**(138.47)**

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Aggregate carrying amount of the Company's interest in these Associates	5,335.92	5,335.92
Carrying amount of the Company's interest in these Associates	5,335.92	5,335.92

Note 34 B : Details of Subsidiary

Name of Subsidiary	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
			As at 31.03.2022	As at 31.03.2021
Equity Shares				
Kharghar Vikhroli Transmission Pvt Ltd (KVTPL) *	Transmission of electricity	Mumbai	0%	0%

* ceased to be subsidiary w.e.f. 25th June 2020

Note

Kharghar Vikhroli Transmission Private Limited (KVTPL) was an wholly Owned Subsidiary Company of Maharashtra State Electricity Transmission Company Ltd (MSETCL). MSETCL has invested Rs 5.00 Lakhs as Equity Contribution in it. Kharghar Vikhroli Transmission Private Limited is an unlisted private company. It was incorporated on 13 May, 2019 and is located in , Maharashtra. It is classified as a State Government Company.

KVTPL is formed as a Special Purpose Vehicle (SPV) for the purpose of 400 KV Vikhroli Sub-station project under the Tariff Based Competitive Bidding (TBCB) Route which is approved by Government of Maharashtra vide its GR dated 04 January, 2019 for construction of new Transmission projects in Maharashtra.

After completion of bidding process, the SPV is to be acquired by the Successful Bidder. Accordingly , MSETCL has handover the said Company to Adani Transmission Ltd on 25th June 2020. The project Kharghar Vikhroli Transmission comprises of approximately 34 km of 400 kV and 220 kV transmission lines along with 400kV GIS Substation at Vikhroli in Mumbai.

Note 35: Assets hypothecated / pledged as security

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Security created in respect of Non-current Borrowings		
Property, plant and equipment excluding leasehold land	1,51,40,754	18,03,267
Security created in respect of Current Borrowings		
i) Fixed Deposit Receipts	10,000	-
ii) Post Dated Cheques	45,000	50,000
Total assets as security	**1,51,95,754**	**18,53,267**

Note 36: Capital Management

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Debt *	5,01,711.57	5,38,787.31
Cash and Cash Equivalents	(44,427.28)	(18,952.47)
Net Debt	4,57,284.29	5,19,834.84
Shareholders Equity	13,23,749.99	12,31,159.92
Net Debt to Equity Ratio	0.35	0.42

* Debt is defined as aggregate of long-term borrowings, short-term borrowings and current maturities of long term debt.

Note 37: Other Notes

37.1 Contingency Reserve Fund, Special Reserve Fund & Load Despatch Center Empowerment Reserve (LDCD) Fund :

As per directions of MERC vide Order No. 31 of 2016 dated 7th July, 2016, the company for FY 2021-22 has appropriated an amount of Rs. 8,335.00 Lakhs (Previous Year Rs. 6,840.00 Lakhs) towards Contingency Reserve Fund. An amount of Rs. NIL (Previous Year Rs. NIL) has been appropriated towards Special Reserve Fund.

An amount of Rs 1,857.08 Lakhs (Previous Year Rs 1,857.83 Lakhs apporpriated) has been withdrawn from Load Despatch Center Empowerment Reserve (LDCD) Fund.

37.2 Secured Loans:-

(Rs in Lakhs)

	Loan Secured By			
Name of the Institution	Guarantee from State Government	Hypothecation against future assets	Mortgage against existing assets	Total
Rural Electrification Corporation Limited (REC)	NIL	2,46,200.38	-	2,46,200.38
Power Finance Corporation Limited (PFC)	NIL	68,296.31	-	68,296.31
ICICI BANK	NIL	32,036.93	-	32,036.93
Canara Bank	NIL	20,708.11	-	20,708.11
Bank of India BOI-1	NIL	7,953.11	-	7,953.11
Bank of India BOI-2	NIL	25,660.64	-	25,660.64
Bank of Maharashtra	NIL	82,530.99	-	82,530.99
Bank of India BOI-3	NIL	10,095.08	-	10,095.08

Repayment Schedule of Long Term Loan Liabilities

Particulars	Rural Electrification Corporation	Power Finance Corporation	Bank of India-1	Bank of India-2	Bank of India-3	Canara Bank	JICA	KFW	Bank of Maharashtra	ICICI BANK
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan
Loan Amount	Up to Borrowing Limit Rs.11,24,364 Lakhs	Up to Borrowing Limit Rs.6,10,338 Lakhs	Rs 30,000 Lakhs	Rs 75,000 Lakhs	Rs 50000 Lakhs	Rs 50000 Lakhs	Rs.61,849 Lakhs (16749 million Yen) (12070.58 MJPY)	Rs 10,250 Lakhs (12 million Euro) (12 M EURO)	Rs 54783 Lakhs	Rs 49914 Lakhs
Period (Term)	13 Years (3+10)	18 Years (3+15)	13 Years (3+10)	13 Years (3+10)	13 Years (3+10)	13 Years (3+10)	15 Years (5+10)	15 Years (5+10)	13 Years (3+10)	6.5 Years
Moratorium Period	3 Years	3 Years	3 Years	3 Years	3 Years	3 Years	5 Years	5 Years	3 Years	Nil
Repayment	Repayment is ongoing	Repayment is ongoing	Repayment is Started	Repayment is yet to start	Repayment is yet to start	Repayment is Started	Repayment is Started	Repayment is yet to start	Repayment is Started	Repayment is Started
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Refinancing of Loan	Refinancing of Loan
Rate of Interest (Floating) at year end	10.20%	10.30%	7.88%	7.40%	7.00%	7.35%	0.75%	1.27%	7.00%	6.99%
			With annually reset	With reset Monthly	With reset Monthly	With annually reset			With annually reset	With Quarterly reset
Terms of Payment	Yearly	Quarterly	20 Half yearly	40 Quarterly equal Installment	40 quarterly installment	40 quarterly installment	Semi Annually	Semi Annually	Monthly	Monthly Quarterly & Yearly
Upfront Fees	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commitment Charges	Upto 500 Cr -Nil Above 500 Cr - 0.25% P.A. on undrawn Amount of Quarter till the Date of Actual Drawal	Upto 500 Cr - Nil Above 500 Cr- 0.25% P.A. on undrawn Amount of the Previous Quarter from the first day of following Quarter till the Actual Date of Drawal	Nil	Nil	Nil	Nil	Nil	0.20% pa on undisbursed amount	Nil	Nil
Margin Money Requirement (Equity) From 01.04.2017	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	VAT,CST/ ED Paid by MSETCL	GST Paid by MSETCL	Nil	Nil

Foreign Currency Loan

Loan Secured by	JICA (Rs.) in Lakhs	JICA (¥) in Million
Guarantee from Central Government	3201.34	505.17

¥ Japanese Yen

Loan Secured by	KFW (Rs.) in Lakhs	EURO in Million
Guarantee from Central Government	5028.74	5.98

Note No 38 : Contingent Liabilities and Contingent assets

1. Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges, Interest for delayed payments made,under MSME Act, etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of Rs 17864.82 Lakhs (P.Y. Rs.19676.95 Lakhs) has been estimated.

(ii) Land/ Crop compensation & Enhancement in Compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of Rs 10743.04 lakhs (P.Y. Rs.15742.77 Lakhs) has been estimated.

(iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of Rs 1116.49 Lakhs (P.Y. Rs.1074.77 Lakhs) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to Rs 63950.28 Lakhs (P.Y. Rs.731.07 Lakhs) are being contested before various Appellate Authorities. Many of these matters are disposed of in favour of the company but are disputed before higher authorities by the concerned departments.

(v) Financials Guarantees

MSETCL has provided financial guarantees in the form of Bank Guarantee's amounting to Rs 32.95 lakhs (P.Y. Rs. 116.68 Lakhs) to various Authorities for construction of Transmission Sub-stations and Transmission Lines.

(vi) Others

a) Other contingent liabilities pertaining to Employee claims amounts to Rs 174.11 Lakhs (P.Y. Rs.183.73 Lakhs) .

b) Some of the beneficiaries have filed appeals against the tariff orders of the MERC. The amount of contingent liability in this regard is Rs. 314995.40 Lakhs (PY Rs. 314995.40 Lakhs)

Note 39: Commitments

Expenditures committed for at the end of reporting year is as follows:

(Rs. In lakhs)

a)

Capital Commitments Not Recognised as Liabilities	31.03.2022	31.03.2021
Property, Plant and Equipment	4,19,590.35	3,11,153.00
Less: Capital Advances	(542)	(541)
Net Capital Commitments	**4,19,048.26**	**3,10,611.71**

(Rs. In lakhs)

b)

Corporate Social Responsibility	31.03.2022	31.03.2021
Unspent CSR Liability	6,765.06	8,138.01

Note 40 :

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

Note 41:

The Company generally makes payment to its creditors within a period of 45 days as stipulated in the Micro, Small and Medium Enterprise Act 2006. The Company has not provided any interest payable to Micro and Small Enterprise as required by the aforesaid Act as claims are pending due to non submission of details/documents from Vendors.

Note 42 :

The group Company's Receivables & Payables are subject to confirmation and reconciliation. These items interalia includes an adjustments. It's long pending inter-unit advise payable balances of Rs 22,697.26 lakhs (Receivables Rs 19,679.53 lakhs upto FY 2017-18 and Rs. 324.29 Lakhs upto FY 2019-20. Payables Rs 40,863.03 lakhs upto FY 2017-18 and Rs.1,838.05 Lakhs upto FY 2019-20 i.e Net payable Rs 22,697.26 lakhs) pertaining to MSEDCL through the Receivable against Transmission Charges from MSEDCL by Rs.21183.50 in FY 2017-18 and Rs.1,513.76 Lakhs in FY 2019-20.

Note 43 :

In accordance with Ind AS 36 - Impairment of assets, impairement analyis of assets of Transmission activity of the Company by evaluation of its Cash Generating Units, was carried out by outside agency in the year 2006-07 and since recoverable was more than the carrying amount thereof, no impairment loss was recognised.

Note 44 :

MSETCL is consistently following its accounting policy regarding recognition of other income on 'accrual basis except when ultimate realization of such income is uncertain' as mentioned in Note no. 2.15 which is in commensurate with applicable accounting standard. As such Delayed Payment Charges (DPC) being part of other income is recognized only to the extent of realized amount. Thus by adopting this policy the accounts of each financial years have been finalized on the basis of which Truing-up (Provisional / Final) is done by MERC as mentioned in clause 37.1 of MYT Regulations 2019 (applicable upto FY 2024-25).

MERC has done truing-up for every financial year based on the accounts and not adjusted the amount of Delayed Payment Charges upto truing up of FY 2014-15 as the same was not accounted for in the accounts. However, MERC while carrying out provisional true-up for FY 2015-16 has reduced ARR by Rs.85,499.00 lakhs towards Delayed Payment Charges related to the earlier financial years including FY 2015-16 which have been not accounted for in accounts as per accounting policy. Apart from this adjustment, MSETCL is entitled for its legitimate ARR of Rs.394,437.00 lakhs as is evident from MERC order dtd. 7th July 2016 in case no. 31 of 2016. To match with this entitled ARR accrued in FY 2016-17, MSETCL has accounted for Rs.75,476.11 lakhs as other income being shortfall in ARR which has resulted on account of adjustment towards DPC in FY 2016-17. Further, MSETCL has filed an appeal before APTEL against the order of MERC in case No 31 of 2016 vide Appeal No 67 of 2017.

Considering the above adjustment, an amount of DPC accumulated as on 31st March 2022 Rs.212115.86 lakhs have not been booked as per consistent accounting policy followed.

Note 45:

Company has made provision of Rs. 1948.61 lakhs in C.Y. (P.Y. Rs 1,355.44 lakhs) u/s 135 (Corporate Social Responsibility) of Companies Act 2013.

(Rs. In lakhs)

Particulars	2021-22	2020-21
Amount required to be spent as per Section 135 of the Companies Act, 2013	8138.01	7,483.15
Add : Provision made during the year	1948.61	1355.44
Amount spent till year end		
Education, Sports and Health	2727.73	40.97
Social Sector, Contribution to relief fund & Agriculture	62.21	216.90
Infrastructure & Electrification	531.62	442.71
Outstanding CSR Liability to be spent	6765.06	8138.01

Note 46 :

In order to facilitate integration & evacuation of large scale renewable energy generation (Solar / Wind) envisaged to come up in renewable energy rich state MNRE & Govt of India has undertaken the Green Energy Corridor for seamless evacuation of Green Energy in 12th Five Year plan .Under the approved DPR 27 No of transmission elements (220 kV/132 kV transmission Lines with End Bays) are sanctioned under various zones. The original cost of scheme was Rs. 367 Cr.

The said scheme is proposed to be financed as -

MSETCL Equity - 20 % (same is being funded through Government of Maharashtra (GoM) as grant)

National Clean Energy Fund (Grant) - 40 %

KFW (German Development Bank) Loan - 40 % (12 Million EUROs)

Company has entered into an agreement for loan of EUR 12,000,000 from KFW ("Credit Institute for Reconstruction") German Bank In the year 2017 (from date 1-Dec-2017 to date 30-Nov-2022 disbursals).The said loan will be utilized for Green Energy Corridor (GEC) Intra State Transmission System in Maharashtra. As per the terms of loan agreement MSETCL has to make claim payment then the same shall be claimed from Kfw. The disbursement of loan depends upon the progress of work of project. Upto 31-Mar-2022 the Company has received loan amount of EURO 59,82,178 (P.Y. EURO 51,95,578) (Rs.50,28,73,828) (P.Y. Rs.44,74,24,974)

As per clause 3, of Loan Agreement Borrower has to pay non refundable Commitment Fee of 0.20% per annum on undisbursed Loan amount. MSETCL has lodged its first claim for disbursement of loan with Office of CAAA which in turn lodge the same with KfW , Germany. The first disbursement was made by KfW on 8-May-2019 before which nothing was requested as no billing was made by vendors related to work allocated for kfw loan . Kfw has charged the Commitment fee Rs. 11.40 lakhs (P.Y. Rs.14.57 Lakhs) which is charged to P&L.

As per agreed procedure, the claimed approved by KfW was disbursed to Central Government which is in turn transfer to State Government. Subsequently, State Government (GOM) on receipt of fund , transfer the claim amount to Company if budget Provision exist. If budget provision does not exist then State Government can transfer it by including amount in supplementary budget. Vide GOM Gr dated 6th Sept .21 and 17th Feb 22, GOM has sanctioned an amount of Rs.620.35 Lakhs (P.Y. Rs.2351.30 Lakhs) and Rs. 312 Lakhs (P.Y. Rs.1538.50 Lakhs) respectively during F Y 2021-22 .

As per term of agreement, all liabilities related to loan will be finally fall upon company, hence Company has paid interest amount to kfw and same has been capitalized to GEC and as on 31-Mar-2021 as project is in progress. Company showing balance claim amount of Rs. 246.15 Lakhs (P.Y. Rs.372 Lakhs) in books as loan from KfW and receivables from State Government (GoM).

Also forex gain on translations at the year end is also credited to P&L amounting to Rs.132 Lakhs (P.Y. Rs.108 Lakhs) as the exchange risk lies with Company.

As the cost of GEC project got reduced from Rs. 36700 Lakhs to Rs. 16872 Lakhs (awarded cost) , the amount of equity also got reduced. Accordingly Company had refunded grant amount of Rs. 3500 Lakhs during FY 2019-2020 received against equity from GoM for said project.

Note 47 :

Designated Current Account operated and maintained in terms of MERC Regulation pertaining to Thrid Party Liabilities

MSPC UI (Unscheduled Interchange) Settlement Op. Account (FBSM Pool Account), MSPC (Maharashtra State Power Committee) Reimbursement Op. A/C, MSLDC RE-DSM Op. Account (RE-SDM Pool Account) and MSLDC DSM Pool Op. Account (DSM Pool Account).

The Maharashtra Electricity Regulatory Commission (MERC) had issued a Suo Moto Order in case number of 42 of 2006 on 17th May, 2007 whereby it introduced the Weighted Average System Marginal Pricing (WASMP) based Balancing and Settlement Mechanism. The Maharashtra State Load Despatch Centre (MSLDC) had prepared the Balancing and Settlement Code (BSC) 4th July, 2009 which was approved by the MERC vide its letter dated 26 August, 2009. The BSC was operationalised in the state from 1st August, 2011.

The MERC vide Various Regulations has directed the MSLDC to operate and maintain MSPC UI Settlement Op. Account (FBSM Pool Account),MSPC Reimbursement Op. A/C, MSLDC RE-DSM Op. Account (RE-SDM Pool Account) and MSLDC DSM Pool Op. Account (DSM Pool Account). MSLDC have been assigned the function to maintain there various Regulatory Fund Accounts under the respective Regulations issued by MERC. MSLDC is to manage these Funds as Custodian of these funds as Nodal Agency till some other entity is identified by MERC.

As per MERC order in case no. 42 of 2006 dt. 17.05.2007 clause no. 5.1(g) MSLDC on behalf of State Pool Participants shall collect on weekly basis and make payment towards Settlement of UI (Unscheduled Interchange) charges. Accordingly, MSPC UI Settlement Operative Bank Account is opened in Bank of Maharashtra, Airoli Branch on dt. 11.11.2008,bearing Account No. 20130402907. As per clause No. 5.1(g) MSPC shall open and maintain a bank account to receive/release payments in respect of settlement among State Pool Participants. Also MSLDC had opened one Current Bank Account (New) with Bank of Maharashtra, Airoli Branch on dt. 11.11.2008, bearing Account No. 60029434202 to meet expenditure of MSPC which will be shared by the State Pool Participants i.e. all Distribution Companies in the Intra State.

The MERC has formulated F&S Regulations, namely, Maharashtra Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018. These Regulations are intended to facilitate Grid integration of Wind and Solar energy generated in Maharashtra while maintaining Grid stability and security as envisaged under the State Grid Code and the Act, through forecasting, scheduling and a mechanism for the settlement of deviations by such generators. MERC has notified RE-DSM Regulations on 20.07.2018 and which was to be implemented from 01.07.2019. For that purpose one Current Bank Account (New) was required for Deviation Charges. As per the roles and responsibilities of MSLDC under MERC approved procedure for RE-DSM, vide section 5.5, MSLDC is “To maintain State Deviation Settlement Account for wind and solar generations”. In this Account Deviation charges amount will be credited as well as amount will be disbursed from this Bank Account. This bank account needs to be opened in the name of MSLDC and PAN and GST no. of MSETCL shall be used. Accordingly, MSLDC has opened 2nd Third Party Bank Account with Bank of Maharashtra, Airoli Branch on dt. 30.05.2019, bearing Account No. 60331835878.

The MERC had issued a Suo- Motu order in Case No. 42 of 2006 on 17 May, 2007, whereby it introduced the WASMP based Balancing and Settlement Mechanism in Maharashtra. The MERC decided to review the existing Balancing and Settlement Mechanism and to introduce the Deviation Settlement Mechanism in Maharashtra. Subsequently, MERC has notified DSM Regulations on 01.03.2019 and which was to be implemented from 01.04.2020. For that purpose one separate Current Bank Account (New) was required for Deviation charges. As per clause 15 (B) of DSM Regulations, “All payment on account of Charges for Deviation including Additional Charges for Deviation levied under these Regulations and interest, if any, received for late payment shall be credited to the funds called “State Deviation Pool Account” which shall be maintained and operated by the MSLDC in accordance with the provision of these Regulations. In this account, Deviation charges amount will be credited as well as amount will be disbursed from this bank account. This bank account needs to be opened in the name of MSLDC and PAN and GST no. of MSETCL shall be used. Accordingly, MSLDC has opened 3rd Third Party Bank

Account with Bank of Maharashtra, Airoli Branch on dt. 31.12.2019, bearing Account No. 60349865315.DSM Billing through DSM software actually started on 11.10.2021.For this purpose,as per approved office note dt 28.09.2021 4th Third Party current A/c bearing A/c number 60396224159 , Namely "MSLDC DSM POOL OPERATIVE A/C for Link with online bill desk payment Gateway opened & current A/c number 60349865315 is renamed as MSLDC DSM Corpus A/c to sort the reconciliation issues of corpus refunded,forfeitted & adjustments.

An amount of surplus funds in the State Deviation Pool Account at the end of the financial year shall be utilized for the purpose of improvements in power system operations, for undertaking such measures and studies for improvement in reliability, security and safety of grid operations, undertaking capacity building and training programs related to system operations and market operations and for such other purposes as may be specified by MERC or for other schemes as may be devised in consultation with National Load Despatch Centre, or Regional Load Despatch Centre, with prior approval of the MERC.

Provided that, the short fall in funds in the State Deviation Pool Account; if any, at the end of the weekly settlement period shall be recovered by levy of additional charges from the State Entities in proportion to Net Deviation Charges Payable by concerned State Entity for the applicable weekly settlement period through supplementary bills.

Provided further that MSLDC shall prepare scheme (S) and shall submit annual plan for utilization of surplus funds and implement the scheme (S) only upon approval of the MERC.

As per Clause 1(2), These DSM Regulations except commercial arrangements, Deviation Charges, Additional Charges for Deviation and penal action shall come into force on the date of notification in these Regulations in the Official Gazette. Provided that the commercial arrangements specified under Clause (9) and (10) of these DSM Regulations, and the related provisions regarding Deviation Charges, Additional Charge for Deviation and penal actions if any shall come into force from date to be notified separately through Order, which shall not be later than 1st April 2020. Provided further that until notification of such date as referred here in above under first proviso, the Final Balancing and Settlement Mechanism (FBSM) as approved by Commission under Order in Case 42 of 2006 along with relevant amendments from time to time shall be in operation for the purpose of energy accounting and deviation settlement.

These funds are equally matched with fund balance in the Third Party Bank Accounts in the current account. As on 31.03.2021 the total balance in these designated Third Party Bank Accounts was amount to Rs. 22,209,10 Lakhs (Previous Year Rs. 20,116 Lakhs) as against the Third Party liability in these funds amounting to Rs. 22,209,10 Lakhs (Previous Year Rs. 20,116 Lakhs).These total amount of Rs 20116 Lakhs (opening balance of third party Account) bifurcated as REDSM Current A/c, DSM current A/c, Designated Current A/c & MSPC reimb current A/c on 1.04.2021 .Further DSM current A/c renamed as DSM corpus A/c & additional current A/c namely MSLDC DSM POOL Operative A/c opened .Total of five current A/c have closing Balance as on 31.03.2022 Rs 22,209.10 Lakhs.

Note 48 :

Due to outbreak of COVID-19 globally and in India, the Company has made initial assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company is in the business of transmission of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The availability of transmission of electricity as per the demand of the Distribution Licensees is important. Hence, the Company has ensured not only the availability for transmission of electricity but has also continued the same during the period of lockdown, considering essential service as declared by the Government of India. On long term basis also, the Company does not anticipate any major challenge in meeting its financial obligations. Basis above, the management has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Company believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due.

Note 49 :

Prior Period Income of Rs.9.80 Lakhs (P.Y. Rs.881.78 Lakhs & Reversal of Income Rs.3355.90 Lakhs) & Prior Period Expenses of Rs. 38706.29 lakhs (P.Y. Rs 1529.26 lakhs) [R&M Rs.41548.65 lakhs (P.Y. 0.05 lakhs), Employee related Rs.Nil (P.Y. Rs 19.04 lakhs), Admin related Rs.8.69 lakhs (P.Y. Rs 12.09 lakhs) and Depreciation(Net) Rs. -2851.05 lakhs (P.Y. Rs 1498.08 lakhs)] have not been recasted.

Note 50 :

To meet the emergency situations arising due to failure of equipments, Company had framed a policy wherein certain equipments are to be kept as critical spares at sub-stations levels. Hence, certain materials used as Standby equipment's (Critical Spares) were earlier treated as Inventory. However, as per Ind AS 16 policy such items are to be treated as Property Plant and Equipments . MSETCL adopted a policy in this context that Standby equipment and servicing equipment (Spare parts) whose cost is Rs.10,00,000/- and above,which meets the recognition criteria of Property, Plant and Equipment are capitalized. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

Maharashtra Electricity Regulatory Commission vide their notification dt 12.06.2022 notified MERC(Approval of Capital Investment Schemes) Regulations, 2022. Wherein as per the recent MERC Capex Regualtion 2022 clause no 3.19 , regulation has not allowed the following as Capital investment Schemes to Transmission Licencees(a) Replacement/Repairing of

Individual items such as CT, PT, LA, CB , Relays under Sub-station equipments, replacement of panel meters, etc...

(g) Procurement of maintenance spares, Annual Maintenance Contract (AMC);

considering the above mentioned procedure adhered, the items of CT, PT, LA, CB , Relays under Sub-station equipments, replacement of panel meters which are treated as PPE as per Ind AS 16 seems to be in contravention to MERC Regulation. Moreover as per the Electricity Act 2003 Section 174 (Act to have overriding effect) , the provision of this Act shall have effect notwithstanding anything incosistent therewith contained in act other law for the time being in force or in any instrument haveing effect by virtue of any law other than this Act. In addition to this , during the True-up for FY 2018-19, MERC vide its Order No 302 of 2019 Dt 30.03.2020 ,has disallowed the capitalization of such critical spares to the tune of Rs 98.99 cr mentioning it that these items are not of put to use nature.

Considering this trend, during the True-up for FY 2019-2020 and FY 2020-21 , MERC can also disallow the capitalisation of these critical spares to the tune of Rs 260.56 cr (Rs 61.37 crs in FY 2019-2020 and Rs 199.18 cr in FY 2020-21) as the same are not of put to use nature.

This would cause a revenue loss to MSETCL as the financials would not represent the cost of such critical spares as R&M (which will result in payment of Income Tax), while MERC would not allow the same as capex expenditure also (causing loss of revenue due to non consideration of tariff component on the same). Hence, MSETCL has decided to adhere the MERC Capex Regulation with retrospective effect (From 2015) to have appropriate impact of increased R&M in its upcoming Trueup Petition to MERC.

Hence, Spare parts, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment which were capitalized by the Company in previous years (from FY 2015-16 till FY 2020-21) are withdrawn in Current Year (Rs 44439.58 lakhs alongwith its accumulated depreciation Rs 6865.56 lakhs) due to the introduction of MERC Capex Regualtion 2022, wherein any replacement scheme and procurement of Standby spares would not be allowed as Capex Scheme and which needs to be carried out under R&M Scheme. Hence, from FY 2021-22, the Company follows the MERC Regulation as, being an Regulatory Business, the ARR is approved by MERC. The yearly impact given as per the previous policy are reversed in FY 2021-22 as follows, which is disclosed as exceptional items in the standalone statement of profit and loss for the year under report.

Overall Impact on Balance Sheet	Effect	Impact	Rs in lakhs
Property, Plant and Equipment	Cr	Decrease	44,439.58
Inventory	Dr	Increase	2,890.94
Deferred Tax Asset	Dr	Reversal	13,804.49
Accumulated Depreciation	Dr	Reversal	6,869.57
Overall Impact on P&L A/c			-
R&M	Dr	Decrease in Profit	41,548.65
Deferred Tax Asset	Cr	Reversal	13,804.49
Depreciation (P&L)	Cr	Increase in Profit	6,869.57

Note 51 : Additional disclosure as per ammened schedule III (Division II) of the Companies Act 2013

i) There are no amount of dividends proposed to be distributed to equity shareholders for the year ended March 31, 2022

ii) There are no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions for the year ended March 31, 2022.

iii) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2022.

(iv) The Company has not granted any Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties either severally or jointly with any other person during the year ended March 31, 2022.

iv) The Company does not have any Intangible assets under development for the year ended March 31, 2022.

v) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

vi) The Company has not raised any borrowings from banks or financial institutions on the basis of security of current assets during the year ended March 31, 2022.

vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

viii) The Company has transactions with struck off companies. - Refer Note no.53

ix) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.

x) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

xi) Financial Ratios - Refer Note no.54

xii) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act during the year ended March 31, 2022.

xiii) Utilisation of borrowed funds and share premium :

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

xiv) There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending March 31, 2022 and March 31, 2021 which needs to be recorded in the books of account of the Company.

xv) The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2022.

xvi) Information with regard to other matters as required by Schedule III of the Companies Act,2013 are either Nil or Not Applicable to the company.

Note 52 :

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

Note No.53 :

The Company has transactions with the following Companies Struck Off under Section 248 of the Companies Act, 2013, identified based on the data available with the Company.

Name of the Struck Off company	Nature of Transaction with Struck Off Company	Balance Outstanding as at 31st March 2022	Relationship with the Struck Off Company	Balance Outstanding as at 31st March 2021	Relationship with the Struck Off Company
SHREE RENUKA ENERGY LIMITED*	Receivables	0.15	Customer	0.15	Customer
HINDUSTHAN VIDYUT PRODUCTS LIMITED	Payables	10.82	Vendor	10.82	Vendor
BENNETT COLEMAN & CO. Limited	Payables	0.42	Vendor	0.22	Vendor
G R POWER SWITCH GEAR Private Limited	Payables	-95.22	Vendor	-95.22	Vendor
PYROTECH ELECTRONICS PRIVATE LIMITED	Payables	0.48	Vendor	0.24	Vendor
SCT LIMITED*	Payables	1.02	Vendor	1.02	Vendor

*Includes Companies which are "Amalgamated" / "Not available for efiling" as per MCA master data

Note 54: Ratio Analysis

Particulars	Formulas	As at 31.03.2022			As at 31.03.2021			% of Variance	Reasons for variance in ratio (> 25%) as compare to previous year
		Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Ratio	Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Ratio		
(a) Current Ratio (in times)	= Current Asset / Current Liabilities	4,58,249.85	1,78,575.30	2.57	4,12,927.93	1,97,844.38	2.09	22.95	
(b) Debt-Equity Ratio (in times)	= (Short term Debt + Long term Debt + Other Fixed Payments)/Shareholders Equity	5,01,711.57	13,23,749.99	0.38	5,38,787.31	12,31,159.92	0.44	-13.39	
(c) Debt Service Coverage Ratio (in times)	= EBITDA / (Interest + Principal Repayments + Lease Liability Payments during the period)	2,82,858.03	1,55,067.39	182%	3,41,083.47	1,64,578.81	207%	-11.98	
(d) Return on Equity Ratio (ROE) (%)	= (Net Profit after Tax - Preference Dividend , if any) / Shareholders Equity	95,535.95	13,23,749.99	7%	107337.175	12,31,159.92	9%	-17.22	
(e) Inventory turnover ratio (in number of days)	= Net Sales / Avg Inventory	4,86,379.78	23,619.75	21	4,77,397.34	20,432.23	23	-11.87	
(f) Trade Receivables turnover ratio (in number of days)	= Revenue from Operations / Average Accounts Receivables	4,86,379.78	3,10,164.80	2	4,77,397.34	2,80,516.87	2	-8	
(g) Trade payables turnover ratio (in number of days)	=Total O&M Expenses / Average Trade Payables	1,21,038.01	27,088.92	4	48,334.07	34,406.16	1	218.06	Due to exceptional items of Rs. 34679 Lakhs (R&M Rs.41549 Lakhs & Depreciation Rs.-6870 Lakhs)
(h) Net capital turnover ratio (in times)	= Revenue from Operations/ Working Capital (Current Assets - Current Liabilities)	4,86,379.78	2,79,674.55	1.74	4,77,397.34	2,15,083.55	2.22	-21.65	
(I) Net profit ratio (%)	=Net Proft / Revenue from Operations X 100	93,390.79	4,86,379.78	19%	107539.38	4,77,397.34	23%	-14.76	
(j) Return on Capital employed (ROCE) (%)	= (Profit before tax + interest expenses) / Capital Employeed	1,60,900.19	20,72,135.73	8%	2,19,327.3	20,29,446.57	11%	-28.15	PBT for F.Y. 2021-22 has reduced by Rs. 34679 Lakhs (R&M Rs.41549 Lakhs & Depreciation Rs.-6870 Lakhs) exceptional items resulting in reduction of ROCE as compared to P.Y.
(k) Return on investment.(ROI)(%)	= (Interest Income + Dividend Income) / Average of (Investment + Fixed Deposits + Loans given)	11,134.40	1,42,050.93	7.84%	9,067.28	1,37,252.18	6.61%	18.65	

Independent Auditor's Report

To

The Members of

Maharashtra State Electricity Transmission Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of **Maharashtra State Electricity Transmission Company Limited** ("the Company"), and its two associates, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, subject to the deficiencies noted in internal controls pertaining to preparation and presentation of the Consolidated Financial Statements, coupled with non-compliances and audit observations noted in "Basis for Qualified Opinion" paragraph below, the aggregate impact whereof is not quantified/ascertained, and based on the consideration of reports of other auditors on separate financial statements and financial information of such associates as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company and its associates as at 31 March 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements except for the items noted below that form the basis for our qualified opinion.

3.1 Attention is invited to Note no. 44 of Consolidated Financial Statements giving details about accumulated Delayed Payment Charges ("DPC") as at 31 March 2022 amounting to Rs. 75,476.11 Lakhs (with reference to 1 distribution licensee) pending to be received out of Rs. 85,499 Lakhs (with reference to 3 distribution licensees) recognised as income under the head 'Other Income' during the Financial Year ("FY") 2016-17. The Company had then taken reference of the order No. 31 of 2016 of Maharashtra Electricity Regulatory Commission ("the MERC"), wherein the MERC had reduced the Aggregate Revenue Requirement ("ARR") of the Company for FY 2015-16 by Rs. 85,499 Lakhs and classifying it as 'Non-Tariff Income'. Data/ details pertaining to the certainty over the realisability of such income (i.e., Trade Receivables) are not available with the Company. The accounting of such DPC as 'Other Income' in FY 2016-17 is in contravention to the applicable Accounting Standard as also Company's Accounting Policy, which in Note No. 2.15 states that "Other Income is recognized on accrual basis except when ultimate realisation of such income is uncertain". Had the Company not recognized such income of Rs. 85,499 Lakhs in the FY 2016-17, its balance of the Retained Earnings in the Reserves & Surplus would have been lesser by that amount and balance of Trade Receivables would have been lesser by Rs. 75,476.11 Lakhs.

3.2 The Company's system/ processes to ascertain provision towards leave encashment and gratuity, based on actuarial valuation needs to be strengthened, as the accuracy of data of leaves and gratuity generated from the system and furnished to the actuary for valuation could not be verified in absence of proper data. Accordingly, we are unable to comment upon the adequacy or otherwise of the actuarial valuation made in respect of leave encashment and gratuity valuations in the books of accounts, effect whereof has not been ascertained.

3.3 Party-wise break up of trade receivables with ageing is not readily available from the system. The details of Trade receivables prepared manually contained several errors and inaccuracies. Hence it could not be fully verified during the course of audit; accordingly, we are unable to comment upon non-provision based on simplified version of Expected Credit Loss ("ECL"). Further details/ breakup/ confirmations of Trade receivables aggregating to Rs. 3,19,197.80 Lakhs (net of provision for doubtful debts) sought for, were not made available for verification during the course of audit. Consequential impact of ascertainment of the realisability from these

Trade Receivables and resultant provision, if any, for bad and doubtful debts on the Consolidated Financial Statements has not been ascertained. Accordingly, we are unable to comment upon adequacy of amounts disclosed under Note No. 33 relating to ageing of Trade receivables to the Consolidated Financial Statements.

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

Without prejudice to the generality of the above, based on the scrutiny of available details of Asset register (ar02) during the course of our audit, it was noted that several items of PPE whose useful life has fully exhausted totalling Rs. 4,39,956.45 Lakhs (Gross Book Value) and Rs. 3,72,701.75 Lakhs (Accumulated Depreciation) are part of said register, resulting in overstatement of the value of PPE to that extent subject to discrepancies as may be noted if physical verification programme is carried out by the Company.

3.5 The Company has not maintained adequate details pertaining to items/ components giving rise to Deferred Tax Assets/ Liabilities ("DTA"/ "DTL"). In absence whereof the recognition, reversals and disclosure of the DTA/ DTL not being complete and correct, the impact thereof on the Consolidated Financial Statements is not ascertained.

3.6 Based on the scrutiny of available details of Freehold Land under PPE, it was noticed that in the past, several items of Leasehold Land have been clubbed under Freehold Land and vice versa; as a result, the amortization of such leasehold land is not carried out. In absence of complete data/ details of such instances, the impact thereof on Consolidated Financial Statements is not ascertained.

3.7 It is noticed during the course of our audit that 66KV substations/ transmission lines having Gross Book Value amounting to Rs. 14,093.18 Lakhs and Accumulated Depreciation amounting to Rs. 10,380.01 Lakhs as at 31 March 2022 are not in use for the operations of the Company. Pending testing for impairment of the same, we are unable to comment upon the carrying value of such assets in the books of accounts.

3.8 It is observed from the SAP generated report (4.4 - Capex Report) by the Company, negative capital expenditure is charged to (reduced from) some schemes amounting to Rs. 3031.99 Lakhs for which no plausible explanation could be provided. To that extent, Assets under Construction ('AUC')/ Capital Work in Progress ("CWIP") in the Balance Sheet is understated. Further, there is no movement in some AUC line items since last more than three years, indications of impairment if any have not been tested by the Company for making appropriate provisions, impact thereof on the Consolidated Financial Statements cannot be commented upon.

3.9 W.e.f. 01 April 2019, the Ind AS 116 "Leases" became effective. The Company has adopted the new standard with modified approach and recognized asset in the form of 'Right to Use' (representing its right to use the leased asset over the lease term) and also liability towards present value of the balance of future lease payments for the leases. However, due to non-availability of lease documents and other records relating to several properties taken under lease, the Company is not able to identify and recognise the 'Right to Use' of said leases, hence no treatment was given in terms of provisions of Ind AS 116 for such leased assets. Impact thereof on the Consolidated Financial Statements has not been ascertained.

3.10 The policy about inventory valuation of the Company (Note No. 2.14) states that inventories are valued at lower of cost or net realizable value ("NRV") but in course of our audit it is noticed that the Company does not have any data or details about the NRV. As such, the inventories are valued at cost. The impact of such practice on Consolidated Financial Statements is not ascertained.

3.10.1 The Company does not have laid down policy and procedures pertaining to materials/equipment's given to vendors/third parties on loan basis, the details of such items were asked for from all the seven zones of the Company. However, the same were not received from any zone for our verification. In absence of complete details and monitoring of such items we are unable to comment on impact thereof on the Consolidated Financial Statements.

3.10.2 Further, as observed the transformers are sent for repair by zonal offices to vendors without appropriately monitoring the records relating to such despatch and its return thereof including matters pertaining to qualitative aspects of such repairs. In absence of necessary details from all the zones of such items we are unable to comment on impact thereof on the Consolidated Financial Statements.

3.11 No inventory or data/ details/ description could be furnished for verification for the "Assets not in use - held for sale" (GL code 222010) amounting to Rs. 5,517.75 Lakhs being its Net book value; moreover, such assets are held at their carrying value instead of "lower of carrying value or net realizable value". Impact, if any, thereof on the Consolidated Financial Statements has not been ascertained.

3.12 The government Grants received by the Company amounting to Rs. 23,850 Lakhs in FY 2006-07 towards capital assets for specific projects out of which Rs. 14,683.83 Lakhs are deferred for recognition as revenue as at 31 March 2022. The details of these grants with specific assets there against and conditions to be satisfied for the same are not made available for our verification. Hence, correctness/completeness thereof pertaining to accounting in terms of provisions of Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance" cannot be commented upon.

3.13 The Company does not collate, maintain and present the details of dues to its vendors registered under Micro, Small and Medium Enterprises ("MSME") Development Act, 2006 ("the MSMED Act"). Accordingly, the Company has not paid or accrued interests on payments or outstanding dues to the MSME Vendors as required under provisions of the MSMED Act. Impact, if any, thereof on the Consolidated Financial Statements has not been ascertained.

3.14 The prior period items of income and expenses have been disclosed by the Company in Note No. 49 but the same have not been restated in the respective previous years as mandatorily required under Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Impact thereof on the Consolidated Financial Statements has not been ascertained.

3.15 Pursuant to Central Electricity Regulatory Commission ("CERC") order dated 19 December 2017 pertaining to FY 2014-15, the Company has recognised an amount of Rs. 2,657.44 Lakhs and Rs. 599 Lakhs as income during the FY 21-22 and FY 2020-21 respectively as against receipt of Rs. 10,789.41 Lakhs, which until FY 2019-20 was not accrued fully as income. Impact of the said order for earlier periods remains to be given in the books of account, as a result of which, profit in Consolidated Statement of Profit and Loss would be lower and Advance from Customer would be higher by the amount which has not been ascertained.

3.16 The deposits from customers towards Outright Contracts ('ORC') amounted to Rs. 1,23,145.85 Lakhs as at 31 March 2022. The Company recognises its supervision fees upfront as income on receipt of deposits and not as and when supervision services are provided, which is contrary to the provisions of Ind AS 115 "Revenue from Contracts with Customers".

3.16.1 Further, attention is invited to Note No. 2.19(c) of the Consolidated Financial Statements on "Accounting of Contributions received from Consumers against Outright Right Works (ORC Schemes)". As informed during the course of audit, there is specific policy on ORC assets/ liabilities and income thereon, but the same was not observed to have been followed by the Company, impact of which could not be ascertained in absence of relevant data/ details.

3.17 The basis, quantum and completeness could not be ascertained, in course of our audit, in the absence of required data/ details relating to the following items of revenue recognised during the year under report:

GL Code	GL Description	F. Y. 2021-22 (Rs. In Lakhs)
300040	Revenue Towards Short term open Access Charges	(934)
300070	Rescheduling Charges	(643)
300080	Revenue from Additional Transmission and Regulatory	(11,212)
310010	Interest from Staff loans and advances	(9)
310020	Interest from investment in bank deposits	(1,555)
325010	Rental from staff quarters	(45)
330010	Sale of scrap (no cost assigned for scrap)	(913)
330020	Sale of Scrap Asset	(105)
335010	Gain/Loss on sale of Fixed Assets	(1,219)
350020	Sundry Credit Balances Written Back	(1140)
370010	Short Term Open Access Charges	(2,309)
380041	Other Miscellaneous Receipts (Non-GST)	(4,285)
380060	Liquidated Damages Recovered from Contractor	(2,052)
380100	Bay Maintenance / O&M Charges received	(740)
380120	Amortisation of Government Grant Received	(1,724)
380141	Remittance of Distribution Licensees collected from Parties	(3,075)

3.18 Attention is invited to Note No. 38 of the Consolidated Financial Statements giving details about "Contingent Liabilities and Contingent Assets", full details including the claims/demands pertain to taxes as required under the statute are not accurately maintained. Hence, it could not be fully verified during the course of audit. Accordingly, we are unable to comment upon adequacy of provisions based on details made available to us.

3.19 The amounts (in excess of Rs. 1 Lakh, other than statutory dues accounts) remaining and recognized in the following GL heads/ codes are subject to confirmation and reconciliation. The necessary data/ details pertaining to following were not made available during the course of audit for verification:

GL Code	Name of Account heads	FY 2021-22 Rs. In Lakhs Asset/Expenses (Liability/Income)
100050	Grants towards cost of Capital Assets	(14,684)
100054	Grant in Aid from GOI	(469)
101070	Reserve for LDCD Funds	(4,284)
101060	Scholarship, NSC, Cash prize, Death Assistance	2
122010	Deferred Tax Liability	(2,46,674)
123030	Security Deposits	(7,983)
123040	Security deposits of jobs/works	(7,353)
123050	Earnest Money Deposits from Vendors	(1,200)
123060	Retention money of Vendor	(77,386)
123061	Risk & Cost Adjustments	(5,939)
123070	Misc. Deposits from Vender	(22)
123090	Advances from Customer	(65)
123100	Other Deposits from Consumers- O. R. C. Deposits	(1,23,146)
123110	GL for liquidity charges from vendor	(12,126)
130010	GR / IR Clearing Account	(6,583)
130020	EMD Dummy entry	(222)
131010	Sundry Creditors Payable Domestic (other than	(18,461)
133010	Sundry Creditors - Inter Company	(4,240)
134010	Sundry Creditors Employees	(12)
140060	Miscellaneous Deposits from Employee	(37)
140100	Income tax deducted at source TDS payable salaries	(207)
142010	Provision for Income -Tax	(3,51,571)
143030	TDS PAYABLE CONTRACTOR 194C	(121)
143031	TDS PAYABLE ON OSL PROVISION	(29)
143060	TDS PAYABLE PROF. FEE / TECH SERVICES 194J	(9)
146010	Deduction of Labour Cess Amt	(48)
150010	Provision for Capital Works	(12,075)
150011	Provision for TDS against GR/IR	15
150030	Provision for Expenses - Others	(3,063)
150040	Provision for Expenses - Employees	(3,884)
150070	Provision for loss pending investigation	(723)
150130	Provision for Interest on Late Payment of Service	(264)
150140	Provision for Tree/Crop/Land Compensation	(1,429)
160010	Liability towards staff welfare Fund with Board	(667)
160020	Board of Trustees P.F. & Final Settlement	(1,922)
160030	MSEB Employees Dependent Welfare Trust A/c	(6)
165010	Stale Cheques	(406)
170010	Designated Current Account for third party	(6,575)
209670	SLDC Hardware	425
209680	SLDC Telephone Equipment	51
209690	SLDC Spare	45
223030	Expense on Survey for Study for not sanctioned projects	247
223040	Pre-Operating Expenses for land acquisition on Unsanctioned Schemes	557
230050	AUC Cost of Land Development on Leasehold Land -Volt.G1	56
230060	AUC Cost of Land Dev on Leasehold Land -Volt.H2	50
237010	AUC Others	25,369
237020	AUC LE	3,338

GL Code	Name of Account heads	FY 2021-22 Rs. In Lakhs Asset/Expenses (Liability/Income)
237030	AUC ORC	18,311
237060	CWIP (Government Grant Impact)	2,319
240100	Fixed Deposit with bank	22,760
255020	Loss due to Material pending investigation	168
255040	MASA Stock (Physical Verification of Inventories)	(114)
256010	Obsolete materials stock (including scrap)	615
260011	STU Sundry debtors for Trans. Charges	2,21,596
260031	STU Sundry Debtors for STOA / SLDC Charges	1,207
260040	Sundry Debtors - Others	92,796
260050	TDS Certificate Receivable	10
260060	Sundry Debtors - Inter Unit Account	2,078
260080	TDS Receivable - Transmission Charges	29,105
285310	MSPC UI Settlement Op. A/c (FBSM)	6,575
290010	Advances to Contractors /Suppliers - O&M	2,306
290020	Capital Advance for Projects	542
292050	Loans & Advances to Staff -- Computer Advance	104
292060	Loans & Advances to Staff- Int. Free Travelling Allowance	8
292080	Loans & Advances to Staff- Int. Free Festival Advance	155
292120	Advance against Gratuity to Staff	8
293010	Advance Income Tax	2,58,071
293011	TDS Certificate Received	264
293013	TCS Payable u/S 206C (1H)	9
293014	TDS receivable -sec 194O	28
293040	Income Tax Deducted at source - Other Recipients	63,384
293050	Miscellaneous Loans & Advances	6
293060	Self-Assessment Tax- Income tax	31,972
294010	Income Accrued and Due on Fund Investments	304
294030	Income Accrued but not Due on Staff Loans &	27
295010	Amount Recoverable from Employee	7
295030	Training Fees Paid To ITI To Be Recovered from Dependent of Deceased Employees	24
296030	Miscellaneous Amount received from SEB Government Departments Local & Private Bodies	709
296050	Expenses recovered from Suppliers	115
296060	Expenses recovered from Contractors	155
296061	Receivables considered Doubtful (RDD)	11,614
297010	Deposit With Telephone Authorities	19
297020	Other Deposits	3,976
400010	Repairs & Maintenance (All Transmission)	38,235
400050	Material Consumption - Project	18
430110	Outsource Personnel Salary	10,417
440090	Upkeep of office	1,094
440100	Security Measures - contract basis	10,233
440140	Commission on Sale of Scrap	72
446010	Sundry debit Balance written off	430
447020	Loss to fixed asset/stock on account of flood	9

The effects of adjustments arising from reconciliation and settlement of old outstanding balances remaining in the above accounts and possible gain/ loss that may arise on account of non-recovery or partial recovery or write-back thereof is not ascertained. Further, in absence of necessary data/ details, the bifurcation of items of assets/ liabilities under 'Current' or 'Non-current' head could not be accurately verified.

Other Information

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

5. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

6. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's responsibility for the Consolidated Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company and its associates in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act. The Board of Directors of the Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

8. In preparing the Consolidated Financial Statements, the Board of Directors of the Company and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors of the Company and of its associates are also responsible for overseeing the financial reporting process of the Company and of its associates.

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

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

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

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

11.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

11.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

11.4 Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associates to cease to continue as a going concern.

11.5 Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

11.6 Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

14 We did not audit the financial statements of Jaigad Powertransco Limited ("JPTL") and Maharashtra Transmission Communication Infrastructure Limited ("MTCIL"), associates of the Company located in India whose financial statements reflect total net profit after tax of Rs. 1523.35 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

15 Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16 As required by clause (xxi) of paragraph 3 of the Companies (Auditor Report) Order, 2020 (CARO), we report as under according to the information and explanation given to us and based on the consideration of audit report of associates of the company as noted in "Other Matters paragraph":

(a) there are no qualifications or adverse remarks in case of CARO reports of the said associates;

(b) as regards the CARO report of the Company, the following table summarizes required details:

Name	CIN	Holding Company/ subsidiary/ Associate/ Joint Venture	Clause number of Para 3 of the CARO report which is qualified or contains adverse remark
Maharashtra State Electricity Transmission Company Limited (the Company)	**U40109MH2005SGC153646**	**Audit report on standalone financial statement of the Company**	**Paragraph i (a), (b) and (c) Paragraph ii (a) Paragraph vii (a) and (b) Paragraph xiv (a) Paragraph xx (b)**

17 As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

17.1 We have sought and obtained, except as noted in para 3 above, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

17.2 In our opinion, except as noted in para 3 above, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

17.3 The Consolidated balance sheet, the Consolidated statement of profit and loss including other comprehensive income, the Consolidated statement of changes in equity and the Consolidated statement of cash flows dealt with by this Report are in agreement with relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

17.4 Except as noted in para 3 above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.

17.5 In view of exemption given vide notification no. 463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being Government Company within the meaning of section 2(45) of the Act, provisions of section 164(2) of the Act pertaining to disqualification of Directors, are not applicable to the Company. On the basis of the reports of the statutory auditors of associate companies incorporated in India, none of the directors of its associate companies incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

17.6 With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Company and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**.

17.7 In view of exemption given vide notification no. 463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, the Company being a Government Company within the meaning of Section 2(45) of the Act, provisions of section 197 of the Act pertaining to managerial remuneration, are not applicable to the Company. Based on the reports of the statutory auditors of associate companies incorporated in India which were not audited by us, the said section is not applicable to MTCIL and in case of JPTL, the company has not paid any remuneration to its directors except for sitting fees.

18 With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such associates, as noted in the 'Other Matters' paragraph:

(I) Except as noted in para 3.18 above, The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Company and its associates. Refer Note no. 38 to the Cconsolidated Ffinancial Sstatements.

(ii) The Company and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

(iv) The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or by its associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(v) The management has also represented that no funds have been received by the Company or by its associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(vi) In our opinion and according to the information and explanations given to us, the Company and its associates has not declared or paid any dividend during the year.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W-100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494BCVZIM3970

Place : Mumbai
Date : 17 October 2022

Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of the Maharashtra State Electricity Transmission Company Limited for the year ended 31 March 2022

(Referred to in paragraph "17.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013.

Opinion

1. We have audited the internal financial controls with reference to the Consolidated Financial Statements of Maharashtra State Electricity Transmission Company Limited ("the Company") and its associates, incorporated in India as at 31 March 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company's internal financial controls with reference to the Consolidated Financial Statements and design thereof needs to be improved to eliminate control lapses and make it comprehensive. Based on selective verification of process controls matrixes made available to us which require to be updated for some identified processes and risks, in our opinion and considering the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"), the operating effectiveness of such process controls and appropriate documentation thereof needs to be enhanced and strengthened to make the same commensurate with the size of the Company and nature of its business.
3. Based on considerations of reporting of the other auditors of Associates as mentioned in the 'Other Matter' paragraph, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Associates considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's responsibility for Internal Financial Controls

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

Auditor's responsibility

5. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
6. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
7. Based on other auditors' reports, in case of the associates, which provide clean report and based on our report in case of the Company, we believe that the audit evidence we have obtained is insufficient to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

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

Other Matters

10. Our aforesaid report under section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two Associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W-100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494BCVZIM3970

Place : Mumbai
Date : 17 October 2022

Consolidated Financial Statements

Maharashtra State Electricity Transmission Company Limited
CIN: U40109MH2005SGC153646
Consolidated Balance Sheet as at 31st March 2022

(Rs. in lakhs)

	Particulars	Note No	As at 31.03.2022	As at 31.03.2021
I	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	4.1	15,81,201.63	16,22,471.02
	(b) Capital Work-in-Progress	4.2	3,41,932.91	3,34,281.27
	(c) Intangible Assets	4.3	163.45	370.58
	(d) Right of Use Assets	4.4	17,744.03	17,863.41
	(e) Investments in Subsidiaries, Associates and Joint Ventures	5	6,673.89	5,309.26
	(f) Financial Assets			
	(i) Investments	6.1	1,00,018.21	85,505.26
	(ii) Loans	6.2	124.49	124.14
	(g) Income Tax Assets (net)	7	31,271.72	15,056.60
	(h) Other Non-Current Assets	8	8,965.85	9,958.79
(2)	**Current Assets**			
	(a) Inventories	9	28,116.79	19,122.71
	(b) Financial Assets			
	(i) Investments	10.1	38,074.12	49,582.50
	(ii) Trade Receivables	10.2	3,19,197.80	3,01,131.79
	(iii) Cash and Cash Equivalents	10.3	66,636.38	39,068.47
	(iv) Loans	10.4	250.89	277.18
	(v) Other Current Financial Assets	10.5	5,128.47	3,135.74
	(c) Other Current Assets	11	845.40	609.54
	(d) Assets Classified as Held for Sale		5,517.75	3,553.24
	TOTAL ASSETS		**25,51,863.79**	**25,07,421.50**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a)Equity Share capital	12	8,98,497.47	8,98,497.47
	(b)Other Equity	13	4,26,590.54	3,32,635.77
(2)	**Liabilities**			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14.1	4,20,249.56	4,52,831.55
	(ii) Lease Liabilities	27	31.13	1,956.33
	(iii) Other Non-Current Financial Liabilities	14.2	2,46,419.82	2,39,092.32
	(b) Provisions	15	1,03,377.12	95,098.69
	(c) Deferred Tax Liabilities (Net)	16	2,46,674.18	2,59,499.38
	(d) Other Non-Current Liabilities	17	31,448.74	29,965.61
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18.1	81,462.01	85,955.76
	(ii) Lease Liabilities	27	1,947.42	1,760.08
	(iii) Trade Payables	18.2	-	-
	total outstanding dues of micro enterprises and small enterprises		283.73	712.12
	total outstanding dues of creditors other than micro enterprises and small enterprises		24,761.38	28,420.60
	(iv) Other Current Financial Liabilities	18.3	15,054.93	16,652.52
	(b) Other Current Liabilities	19	27,667.58	28,028.97
	(c) Provisions	20	27,398.25	36,314.33
	TOTAL EQUITY AND LIABILITIES		**25,51,863.79**	**25,07,421.50**
	Significant Accounting Policies	1 to 3		

The accompanying notes are an integral part of these Consolidated Financial Statements
As per our attached report of even date

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494

Place : Mumbai
Date : 17 October 2022

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Santosh Amberkar
Chief General Manager (F&A)

Sd/-
Ashok Phalnikar
Director (Finance)
(DIN. 08908820)

Sd/-
Dinesh Waghmare
Chairman & Managing Director
(DIN. 01843097)

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

Maharashtra State Electricity Transmission Company Limited
CIN: U40109MH2005SGC153646
Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

(Rs. in lakhs)

	Particulars	Note No	2021-22	2020-21
I	Revenue from Operations	21	4,86,379.78	4,77,397.34
II	Other Income	22	33,942.32	21,641.82
III	**Total Income (I + II)**		**5,20,322.10**	**4,99,039.16**
IV	**Expenses**			
	Repairs & Maintenance Expenses	23	39,174.54	14,090.20
	Employee Benefits Expense	24	1,16,426.06	1,09,621.63
	Finance Costs	25	41,897.51	50,512.87
	Depreciation and Amortization Expense		1,21,957.84	1,21,756.17
	Other Expenses	26	40,314.82	34,243.87
	Total Expenses (IV)		**3,59,770.77**	**3,30,224.74**
V	**Profit Before Exceptional Items and Tax Expense (III-IV)**		**1,60,551.33**	**1,68,814.42**
VI	**Exceptional Items**			
	Repairs & Maintenance Expenses	50	41,548.65	-
VII	**Profit before share of net profits of investments accounted for using equity method and tax (V - VI)**		**1,19,002.68**	**1,68,814.42**
VIII	Add: Share of net profits of Associate/Joint Venture accounted for using equity method		1,523.35	654.99
IX	**Profit before tax (VII + VIII)**		1,20,526.03	1,69,469.41
X	**Tax Expense:**			
	(1) Current tax		(35,139.69)	(49,204.65)
	(2) Current Tax of Associates accounted for using equity method		(157.67)	(139.83)
	(3) Deferred tax		11,672.96	(12,272.60)
XI	**Profit for the Year (IX - X)**		**96,901.63**	**1,07,852.33**
XII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(3,297.40)	310.81
	Share of Associates/Joint Venture accounted in OCI for using equity method		(1.84)	0.97
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,152.24	(108.59)
	Share of Associates/Joint Venture accounted in OCI for using equity method		0.79	(0.08)
	Other Comprehensive Income for the year , net of income tax (XII)		**(2,146.21)**	**203.11**
XIII	**Total Comprehensive Income for the Year (XI + XII)**		**94,755.42**	**1,08,055.44**
XIV	Basic and Diluted Earnings per Share (in Rs.) (Face Value Rs 10/-)	31	1.08	1.20
	Significant Accounting Policies	1 to 3		

The accompanying notes are an integral part of these Consolidated Financial Statements
As per our attached report of even date

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494

Place : Mumbai
Date : 17 October 2022

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Santosh Amberkar
Chief General Manager (F&A)

Sd/-
Ashok Phalnikar
Director (Finance)
(DIN. 08908820)

Sd/-
Dinesh Waghmare
Chairman & Managing Director
(DIN. 01843097)

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

Maharashtra State Electricity Transmission Company Limited
CIN: U40109MH2005SGC153646
Consolidated Statement of Cash Flows for the year ended 31st March, 2022

(Rs. in lakhs)

	Particulars	For Year Ended 31-03-2022	For Year Ended 31-03-2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	**1,20,526.03**	**1,69,469.41**
	Adjustment for :		
	Depreciation	1,21,957.84	1,21,756.17
	Gain on disposal of property, plant and equipment	(1,218.81)	(662.62)
	Proceeds from sale of scrap Assets	(105.40)	(140.15)
	Interest received	(11,134.40)	(9,067.28)
	Finance costs	49,260.95	58,546.74
	Loss due to Foreign Exchange Rate Variation	0.37	111.20
	Sundry Balances W/Off	430.08	9.28
	Operating Profit Before Working Capital Changes	**2,79,716.66**	**3,40,022.76**
	Movements in Working Capital		
	(Increase)/Decrease in Inventory	(8,994.08)	2,619.04
	(Increase) / Decrease in Trade Receivable	(18,496.09)	(41,239.14)
	(Increase) / Decrease in Short Term Loan and Advance	26.29	32.23
	(Increase) / Decrease in Other Current Assets	(2,228.59)	4,020.75
	Increase/(Decrease) in Long Term Provisions	8,278.43	4,506.80
	Increase/(Decrease) in Provisions	(8,916.08)	(5,428.25)
	Increase/(Decrease) in Trade Payables	(4,087.61)	2,081.65
	Increase/(Decrease) in Other Current Liabilities	(21,551.66)	(6,575.02)
	Cash generated from operations	**2,23,747.27**	**3,00,040.82**
	Taxes Paid	(35,218.25)	(16,003.40)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**1,88,529.02**	**2,84,037.42**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of PPE including CWIP and Capital Advance (Net of Sale Proceeds)	(88,802.74)	(157,128.35)
	Receipts of government grants	1,631.94	163.96
	Long term loans and advances	(0.35)	29.41
	Other non-current assets	992.94	(2,348.40)
	Receipts of ORC Deposits	9,506.28	207.19
	Investment in Associates/Joint Ventures	(1,364.63)	(624.14)
	Proceeds from disposal of Investment in Subsidiary	-	5.00
	(Purchase)/Sale in Investment	(3,004.57)	(6,521.03)
	Interest received	11,134.40	9,067.28
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(69,906.73)**	**(1,57,149.08)**

(Rs. in lakhs)

Particulars	For Year Ended 31-03-2022	For Year Ended 31-03-2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Other non current financial liabilities	(2,979.49)	17,333.97
Proceeds/(Repayment) from Borrowings	(38,813.97)	(61,452.33)
Interest paid / Finance costs	(49,260.95)	(58,546.74)
NET CASH FROM /(USED IN) FINANCING ACTIVITIES	**(91,054.41)**	**(102,665.11)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**27,567.91**	**24,223.01**
Opening Balance of Cash & Cash Equivalents	39,068.47	14,845.46
Closing Balance of Cash & Cash Equivalents	**66,636.38**	**39,068.47**

Components of Cash & Cash Equivalents at	For Year Ended 31-03-2022	For Year Ended 31-03-2021
Balances with Banks		
In Current Accounts	6,705.31	11,483.55
In Fixed Deposit Accounts (with original maturity of less than 3 months)	37,709.55	7,456.19
Cash and Stamps on Hand	12.42	12.73
In Designated Current Account operated and maintained in terms of MERC Regulation	22,209.10	20,116.00
Cash & Cash Equivalents at the end of the year	**66,636.38**	**39,068.47**

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

As per our attached report of even date

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494

Place : Mumbai
Date : 17 October 2022

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Santosh Amberkar
Chief General Manager (F&A)

Sd/-
Ashok Phalnikar
Director (Finance)
(DIN. 08908820)

Sd/-
Dinesh Waghmare
Chairman & Managing Director
(DIN. 01843097)

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

Maharashtra State Electricity Transmission Company Limited
CIN: U40109MH2005SGC153646
Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

For the year ended 31st March, 2022 **(Rs. in lakhs)**

Balance as at 1st April, 2021	Changes during the Year	Balance as at 31st March, 2022
8,98,497.47	-	8,98,497.47

For the year ended 31st March, 2021 **(Rs. in lakhs)**

Balance as at 1st April, 2020	Changes during the Year	Balance as at 31st March, 2021
8,98,497.47	-	8,98,497.47

B. Other Equity

For the year ended 31st March, 2022 **(Rs. in lakhs)**

Particulars	Reserves & Surplus				Total Equity
	Contingency Reserve Fund	Special Reserve Fund	Load Despatch Center Empowerment Reserve (LDCD) Fund	Retained Earnings	
Balance as at 1st April, 2021	**69,643.00**	**13,939.00**	**6,941.56**	**2,42,112.28**	**3,32,635.84**
Total Comprehensive Income for the year	-	-	-	93,390.79	93,390.79
Transfers to Retained Earnings	-	-	-1,857.08	1,857.08	-
Transfers from Retained Earnings	8,335.00	-	-	-8,335.00	-
Utilisation for Capex (allowed by MERC)	-	-	-800.72	-	-800.72
Total Comprehensive Income for the year of Associates accounted for using the equity method	-	-	-	1,364.63	1,364.63
Balance as at 31st March, 2022	**77,978.00**	**13,939.00**	**4,283.76**	**3,30,389.79**	**4,26,590.55**

For the year ended 31st March, 2021 **(Rs. in lakhs)**

Particulars	Reserves & Surplus				Total Equity
	Contingency Reserve Fund	Special Reserve Fund	Load Despatch Center Empowerment Reserve (LDCD) Fund	Retained Earnings	
Balance as at 1st April, 2020	62,803.00	13,939.00	5,265.15	1,42,754.68	2,24,761.83
Total Comprehensive Income for the year	-	-	-	1,07,852.33	1,07,852.33
Transfers from Retained Earnings	6,840.00	-	1,857.83	-8,697.83	-
Utilisation for Capex (allowed by MERC)	-	-	-181.42	-	-181.42
Total Comprehensive Income for the year of Associates accounted for using the equity method	-	-	-	203.10	203.10
Balance as at 31st March, 2021	**69,643.00**	**13,939.00**	**6,941.56**	**2,42,112.28**	**332,635.84**

As per our attached report of even date

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number - 105146W/W100621

Sd/-
Hasmukh B Dedhia
Partner
ICAI Membership No. 033494

Place : Mumbai
Date : 17 October 2022

For Maharashtra State Electricity Transmission Company Limited

Sd/-
Santosh Amberkar
Chief General Manager (F&A)

Sd/-
Ashok Phalnikar
Director (Finance)
(DIN. 08908820)

Sd/-
Dinesh Waghmare
Chairman & Managing Director
(DIN. 01843097)

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

Notes to Consolidated Financial Statements for the year ended 31st March ,2022

1 Corporate and General Information

The Consolidated Financial statements comprise Financial statements of the Maharashtra State Electricity Transmission Company Limited (MSETCL/the Company) and its Associates (i.e. Jaigad Power Transmission Ltd (JPTL) and Maharashtra Transmission Communication Infrastructure Limited (MTCIL)) for the year ended 31st March, 2022.

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

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

The Company is notified as the State Transmission Utility (STU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS). While the Associates Jaigad Power Transmission Ltd (JPTL) is engaged in the business of Transmission of Electricity and Maharashtra Transmission Communication Infrastructure Limited (MTCIL) is engaged in the business of making available optical fibre capacity on lease.

2 Statement of significant Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis of preparation and presentation

The Company has prepared Consolidated Financial Statements considering its holding in Associates namely:

Name of the Entity	Relationship	% of Holding
1) Jaigad Power Transco Limited	Associate	26
2) Maharashtra Transmission Communication Infrastructure Limited	Associate	49

The Consolidated Financial Statements incorporate the standalone financial statements of the Company and its investments in associates are accounted using equity method.

The financial statements of associates are drawn up to the same reporting date as of the Group for purpose of Consolidation. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

The Associates have been consolidated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment.

After application of the equity method of accounting, the Group determines whether there is any evidence of impairment as a result of one or more event that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an evidence of impairment, then the Group recognises impairment loss equal to the excess of its carrying amount over the recoverable amount of the respective asset. Recoverable amount is the fair value less cost to sell of the respective asset.

MSETCL has also been appointed as Bid Process Coordinator (BPC) for transmission schemes by Ministry of Power, GoI. Accordingly the Company has incorporated wholly owned subsidiaries as Special Purpose Vehicle in respect of Independent Transmission Projects. The Group also has a fully owned subsidiary company, namely

Kharghar Vikhroli Transmission Private Limited (KVTPL), as on 31 March 2020 registered for Independent Transmission Projects formed as special purpose vehicle (SPV). It ceased to be subsidiary w.e.f. 25 June 2020.

As per the objective of Ind AS 110 which establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. To meet the above objective, Ind AS 110 requires an entity (the parent) that controls one or more other entities (subsidiaries) to present consolidated financial statements:

(a) defines the principle of control, and establishes control as the basis for consolidation;

(b) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee;

(c) sets out the accounting requirements for the preparation of consolidated financial statements; and Educational Material on Ind AS 110.

(d) defines an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity.

As per the interpretation to guidelines as per Ind AS 110 , an investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect those returns through its power over the investee.

Hence, as per Para 4 of Ind AS 110 and Para 17 of Ind AS 28, MSETCL is not required to prepare/present Consolidated Financial Statements and Cash flow statement for its Subsidiary incorporated as SPV Company.

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

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

2.3 Current and Non-current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

The Company has identified twelve months as its operating cycle.

2.4 Rounding of amounts

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

2.5 Use of estimates and judgments

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

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

-Estimates of useful lives, residual value and impairment of Property, Plant and Equipments and Intangible Assets;

-Valuation of Inventories;

-Measurement of Defined Benefit Obligations and actuarial assumptions;

-Provisions;

-Evaluation of recoverability of deferred tax assets; and

-Contingencies.

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

2.6 Property, Plant and Equipment (Ind AS 16)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.8 Intangible Assets (Ind AS 38)

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

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

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

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

2.9 Depreciation/Amortization (Ind AS 16)

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

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

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

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

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

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

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

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

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

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

The associates companies provide depreciation and amortisation on assets based on straight line method (SLM) as per provisions of Part B of schedule II of the Companies Act, 2013.

2.10 Borrowing costs (Ind AS 23)

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

Interest during construction (IDC) and expenditure (net) allocated to construction as per policy referred at 2.7 above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP. Actual IDC is calculated for schemes where it is possible. In case of remaining scheme, debt equity ratio of 70:30 is considered for calculating of IDC for opening capex as well as capex incurred during the year. FIFO method is followed while considering the capitalization i e first capitalization of asset will be taken place from opening balance of capex. The weighted average rate of interest of each financial institution and banks is applied for calculating IDC.

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

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

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

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

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

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

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

2.12 Leases (Ind AS 116)

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

Company as a lessee

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

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

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

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

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

Company as a lessor

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

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

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

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

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

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

2.14 Inventories (Ind AS 2)

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

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

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

2.15 Revenue Recognition (Ind AS 115)

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

Transmission Income

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

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

Dividend Income

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

Interest Income

Interest income is accounted on accrual basis.

Sale of Scrap

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

Supervision charges

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

Other Income

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

2.16 Employee Benefits (Ind AS 19)

Short Term Employee Benefits:

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

Other long-term employee benefit obligations

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

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

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

Post- employment benefits:

The Company operates the following post-employment schemes:

(I) Defined Benefit Plans such as gratuity; and

(ii) Defined contribution plans such as provident fund.

Defined Benefit Plan

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

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

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

Defined Contribution Plan

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

2.17 Foreign Currency Transactions (Ind AS 21)

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

2.18 Investment in Associates and Joint Ventures (Ind AS 27)

Principle of consolidation

Equity Method

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of acquisition. The company's share of the investee's profit or loss is recognised in the company's statement of profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The company's share of those changes is recognised in the company's other comprehensive income.

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

2.19 A) Government Grants (Ind AS 20)

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

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

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

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

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

C) Accounting of Contributions received from Consumers against Outright Right Works (ORC Schemes)

Outright Consumer Contributions received is being treated as follows

1) If advance is received for expenditures still to be incurred on creation of Fixed Assets , same is treated as Non Current Liabilities till the completion of that Fixed Assets.

2) If contribution is received on account of Supervision Charges only, the same is recognised as Other Income in the year of receipt.

3) If contribution is received on account of already created assets, the same is reduced against that asset in the year of receipt.

2.20 Provisions and Contingent Liabilities (Ind AS 37)

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimates.

2.21 Fair Value Measurement (Ind AS 113)

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or Liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

2.22 Financial Assets (Ind AS 32)

Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is:

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through Other Comprehensive Income if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both:

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

Debt instruments at Fair Value through Profit or Loss (FVTPL)

Fair Value through Profit or Loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVOCI, is classified as FVTPL.

After initial measurement, any fair value changes including any interest income, foreign exchange gain and losses, impairment losses and other net gains and losses are recognized in the Statement of Profit and Loss.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Company decides to classify the same either as FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income. Dividends on such equity instruments are recognized in the Statement of Profit or Loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when-

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either:

The Company has transferred substantially all the risks and rewards of the asset, or

The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or assets is determined to have a low credit risk at the reporting date.

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

Trade receivables were categorized into three groups for computing ECL viz.

1) Distribution Licensees (Group Companies and Others),
2) Open Access Consumers (Long term and Short term) and
3) Regular (Other) Consumers. Time loss for all categories was considered as same, whereas Credit loss was provided on the basis of credit spread for Corporate Bonds (published by FIMMDA). The management has estimated an appropriate credit rating for each of the above three groups.

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

2.23 Financial Liabilities (Ind AS 32)

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

Financial Liabilities at amortized cost

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

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

De-recognition

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

Offsetting of financial instruments

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

2.24 Taxes on Income (Ind AS 12)

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

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

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

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

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

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

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.25 Prior Period Items (Ind AS 8)

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

2.26 Earnings per Share (Ind AS 33)

Basic earnings per share are computed using the net profit or loss for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

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

2.27 Cash and Cash Equivalents (Ind AS 7)

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

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

2.28 Statement of Cash Flows (Ind AS 7)

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

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

3 Changes in Accounting Policies and Disclosures

3.1 New and Amended Standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022 as below:

(i) Ind AS 103 - Business Combination

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework), issued by the ICAI at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

(ii) Ind AS 16 - Property, Plant and Equipment (PPE)

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing while preparing the asset for its intended use (if any), shall not be recognise in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item PPE. The Company has evaluated the amendment and there is no impact in recognition of its property, plant and equipment on its standalone financial statements

(iii) Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

(iv) Ind AS 109 - Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability or to consider as modification of existing financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Maharashtra State Electricity Transmission Company Limited
Notes to Consolidated Financial Statements for the year ended 31st March, 2022

Note 4.1: Property, Plant & Equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Equipments	Line & Cable Networks	Hydraulic Works	Other Civil Works	Furniture & Fixtures	Vehicles	Office Equipment (Including computer)	Solar Power Generation Equipments	Total
Gross Carrying amount											
Balance as at 1st April, 2020	**26,304.39**	**30,063.72**	**11,39,273.29**	**8,57,966.12**	**2,723.02**	**1,19,541.94**	**2,059.13**	**1,097.48**	**4,325.88**	**0.00**	**21,83,354.97**
Additions	1,367.27	729.65	61,432.85	39,698.84	63.02	4,211.77	188.59	0.00	950.70	49.66	1,08,692.36
Disposals	-	-	(320.81)	(12.99)	-	-	(2.52)	(8.13)	(3.65)	-	(348.10)
Adjustments	(2,465.05)	-	(2,950.07)	(1,432.72)	-	(4.02)	(5.06)	0.18	(109.24)	-	(6,965.98)
Balance as at 31st March , 2021	**25,206.61**	**30,793.37**	**11,97,435.26**	**8,96,219.24**	**2,786.03**	**1,23,749.69**	**2,240.14**	**1,089.53**	**5,163.69**	**49.66**	**22,84,733.25**
Additions	1,036.98	574.50	67,429.40	55,838.06	27.02	2,897.89	196.49	0.00	771.86	0.00	1,28,772.21
Disposals	-	-	(454.85)	(738.10)	-	-	(4.98)	(35.59)	(16.06)	-	(1,249.57)
Adjustments	(189.22)	-21.14	(51,033.51)	(3,989.73)	-	929.05	(41.14)	(18.08)	(239.03)	-	(54,602.80)
Balance as at 31st March , 2022	**26,054.37**	**31,346.74**	**12,13,376.32**	**9,47,329.47**	**2,813.06**	**1,27,576.63**	**2,390.52**	**1,035.86**	**5,680.46**	**49.66**	**23,57,653.09**
Accumulated depreciation											
Balance as at 1st April, 2020		**8,812.27**	**285,388.66**	**225,467.38**	**663.50**	**20,233.00**	**616.93**	**219.32**	**1,955.76**	**0.00**	**5,43,356.82**
Additions		1,078.42	68,167.40	45,188.70	142.06	4,592.26	146.94	79.36	459.74	1.26	1,19,856.14
Disposals		-	(233.92)	(5.99)	-	-	(2.17)	(7.29)	(3.18)	-	(252.55)
Adjustments		-	(789.82)	91.89	-	(0.00)	-	0.16	(0.40)	-	(698.17)
Balance as at 31st March , 2021	-	**9,890.69**	**3,52,532.32**	**2,70,741.98**	**805.56**	**24,825.26**	**761.70**	**291.56**	**2,411.93**	**1.26**	**6,62,262.24**
Additions		1,087.83	71,266.50	46,587.12	133.80	4,656.94	153.91	77.35	450.40	2.62	1,24,416.47
Disposals		-	(163.76)	(147.93)	-	-	(4.31)	(32.03)	(10.71)	-	(358.73)
Adjustments		1.02	(10,320.34)	(33.65)	-	541.54	(21.46)	(16.47)	(19.18)	-	(9,868.52)
Balance as at 31st March , 2022	-	**10,979.55**	**4,13,314.72**	**3,17,147.52**	**939.35**	**30,023.74**	**889.84**	**320.41**	**2,832.44**	**3.88**	**7,76,451.46**
Net Carrying amount											
Balance as at 31st March , 2022	**26,054.38**	**20,367.19**	**8,00,061.60**	**6,30,181.95**	**1,873.70**	**97,552.89**	**1,500.67**	**715.46**	**2,848.02**	**45.79**	**15,81,201.63**
Balance as at 31st March , 2021	**25,206.61**	**20,902.68**	**8,44,902.95**	**6,25,477.27**	**1,980.48**	**98,924.44**	**1,478.44**	**797.98**	**2,751.76**	**48.41**	**16,22,471.02**

Please refer Note 35: Assets hypothecated / pledged as security.
* includes assets at Rs 1 for which the cost is recovered from the dedicated consumer as ORC Deposit
* includes assets which are created at 50% of the value under the scheme for evacuation of power from Non-conventional sources (MEDA Schemes).
* includes reclassification during the year of Standby equipments from Property, Plant and Equipment (Rs 44,439.58 lakhs) along with its accumulated depreciation (Rs 6,869.56 lakhs) to Repairs & Maintenance Expenses and Inventories as per Policy referred at Note 2.6 and 50.

Title deeds of Immovable Property not held in the name of the Company

Details of all immovable property included in Property, Plant and Equipments are held in the name of the Company , except for as shown in table below:

Revelent Line Item in the Balance Sheet	Description of items of property	Gross carrying value (Rs in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relatove of promoter/director or employee of promoter/director	Property held since which date	Reasons for not being held in the name of the Company	Dispute, if any
Property, Plant & Equipment	Land	Not Ascertainable	MSETCL-366 out of 706	N.A.	Not Ascertainable		N.A.
		Not Ascertainable	MSEB/MSEDCL/ MSPGCL (Sister Concern) - 102 out of 706	N.A.	Not Ascertainable	Lands pertaining to erstwhile MSEB were transferred to MSETCL after trifurcation in 2005. However, certain lands which are in the names of MSEDCL, MSPGCL, MSEB, Maharashtra Industrial Development Corporation (MIDC) and private parties are still to be transferred in the name of MSETCL.	
		Not Ascertainable	Lease Hold/ MIDC / Private/ Other - 238 out of 706	N.A.	Not Ascertainable		
	Building	NIL					
Investment Property	Land	NIL					
	Building						
PPE retired from active use and held for disposal	Land	NIL					
	Building						
Others		NIL					

Note 4.2: Capital work-in-progress (CWIP)

(Rs. in Lakhs)

	As at 31.03.2020	Capex during the year	Capitalisation during the year	As at 31.03.2021	Capex during the year	Capitalisation during the year	As at 31.03.2022
Capital work-in-progress	2,80,656.26	1,60,286.00	(1,06,660.99)	3,34,281.27	1,38,684.90	(1,31,033.26)	3,41,932.91

Ageing Schedule of Capital Work in Progress FY 2021-22*

(Rs. in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress	18,720.06	25,266.73	48,985.60	2,17,199.28	3,10,171.67
Projects temporarily suspended	-	-	-	28,638.82	28,638.82
Total	-	-	-	-	**3,38,810.49**

*Ageing Schedule of Capital Work in Progress is prepared based on the year of commencement of capex in respective Project .

Ageing Schedule of Capital Work in Progress FY 2020-21*

(Rs. in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress	13,289.94	41,287.00	64,623.78	1,76,368.01	2,95,568.73
Projects temporarily suspended	-	-	-	32,099.77	32,099.77
Total	-	-	-	-	**3,27,668.50**

*Ageing Schedule of Capital Work in Progress is prepared based on the year of commencement of capex in respective Project .

Ageing Schedule of Capital Work in Progress whose completion, if overdue or, has exceeded its cost compared to its original plan and Projects Suspended.

(Rs. in Lakhs)

Capital Work In Progress	To be completed in				TOTAL
	less than 1 year	1 -2 years	2-3 years	More than 3 years	
Projects in Progress(Costs Overrun)					
132Kv Kankawali- Kudal Line	38.41	-	-	-	38.41
132KV Nimboni SS	51.63	-	-	-	51.63
132kV level at 400kV Lonikand ss, Pune	244.24	-	-	-	244.24
Projects Temporarily Suspended					
132KV Kalmeshwar-Hingna LL	-	-	1,241.68	-	1241.68
LL from 400kV PGCIL -220kV Hinjewadi-II	-	-	1,923.87	-	1923.87
220kV ln frm 400kV PGCIL (Kum'ri)ss-Bale	-	-	1,025.23	-	1025.23
400KV Hinjewadi GIS SS	-	-	20,446.03	-	20446.03
Evctn of Tarapur Extn	-	-	-	2,476.97	2476.97
220KV Khandalgaon-Dasturi Link Line	-	-	-	1,437.43	1437.43
LILO onboth ckts400kVTarapur-Padghe line	-	-	4.60	-	4.60
Estt. of 220KV Bapgaon S/S	-	-	-	83.00	83.00
Total	**334.28**	**0.00**	**24641.42**	**3997.40**	**28973.10**

Note 4.3: Intangible Assets

(Rs. in Lakhs)

	As at 31.03-2020	Addition during the year	Disposal during the year	As at 31.03.2021	Addition during the year	Disposal during the year	As at 31.03.2022
Gross Block	1,272.15	376.04	(87.79)	1,560.40	716.02	(1,495.00)	781.42
Accumulated Amortisation	979.48	210.33		1,189.81	213.02	(784.86)	617.97
Total	292.67	165.71	(87.79)	370.58	503.00	(710.14)	163.45

Note 4.4 Right of Use Assets

(Rs. in Lakhs)

Particular	As at 31.03.2020	Addition during the year	Adjustment during the year	As at 31.03.2021	Addition during the year	Adjustment during the year	As at 31.03.2022
Leasehold Land							
Gross Block	12,184.35	1,490.70	(807.93)	14,482.98	1,545.03	-	16,726.91
Accumulated Amortisation	1.16	-	-	1.16	-	-	698.96
Total	12,183.18	1,490.70	(807.93)	14,481.81	1,545.03	-	16,027.95
Leasehold Building							
Gross Block	6,690.62	69.86	-	6,760.48	31.18	-	6,791.66
Accumulated Amortisation	1,689.22	1,689.67	-	3,378.89	1,696.69	-	5,075.58
Total	5,001.40	(1,619.81)	-	3,381.59	(1,665.51)	-	1,716.08
Balance at the end of the year	17,184.58	(129.11)	-807.93	17,863.41	(120.48)	-	17,744.03

Please refer Note 27

Notes to Consolidated Financial Statements for the year ended 31st March ,2022

5 Investments in Subsidiaries, Associates and Joint Ventures

(Rs in Lakhs)

Particulars	Face Value (in Rs)	No. of Shares		Amount	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
A) Equity Instruments of Associates/Joint Ventures					
Unquoted - At Cost					
Jaigad Power Transco Limited (JPTL)	10	3,57,50,000	3,57,50,000	4,691.13	4,036.60
Share of Profit & Loss of Associates accounted for using the equity method, net of tax in JPTL				744.75	654.13
Share of other comprehensive income of Associates accounted for using the equity method, net of tax in JPTL				-3.74	0.39
Net Carrying Amount of Investment		**3,57,50,000**	**3,57,50,000**	**5,432.14**	**4,691.13**
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	10	88,04,579	88,04,579	-	-
Bonus shares 32,94,682 Nos (21,72,242 (Nos) issued during the FY 2018-19 and 11,22,449 (Nos) in 2020-21)		32,94,682	32,94,682	-	-
Share of Profit & Loss of Associates accounted for using the equity method, net of tax in MTCIL				358.60	-
Share of other comprehensive income of Associates accounted for using the equity method, net of tax in MTCIL				2.70	-
Net Carrying Amount of Investment in Equity Shares		**1,20,99,261**	**1,20,99,261**	**361.29**	**-**
B) 15% Non Cumulative, Participating, Redeemable Preference Shares		-	-	-	-
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	10	88,04,578	77,23,726	618.13	648.52
Additional investment in Preference Shares made during the year			10,80,852		108.08
Share of Profit & Loss of Associates accounted for using the equity method, net of tax in MTCIL				262.33	-138.97
Share of other comprehensive income of Associates - accounted for using the equity method, net of tax in MTCIL					0.50
Net Carrying Amount of Investment in Preference Shares		**8,804,578**	**8,804,578**	**880.46**	**618.13**
TOTAL		**5,66,53,839**	**5,66,53,839**	**6,673.89**	**5,309.26**
Aggregate amount of unquoted securities				6,673.89	5,309.26
Aggregate amount of quoted securities				-	-
Market value of quoted securities				-	-
Aggregate amount of impairment in the value of investments				-	-

6.1 Non - current Investments

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Quoted		
At amortised Cost		
Investments in Government Securities*	73,962.77	50,597.19
Investments in Bonds*	21,771.68	27,966.51
Un-Quoted		
Fixed Deposits with Bank	4,283.76	6,941.56
Total	**1,00,018.21**	**85,505.26**

* Earmarked against Contingency/Special Reserve, LDCD Fund, ORC Deposits and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency

(Rs in Lakhs)

Contingency Reserve and Special Reserve Fund	75,218.23	69,669.41
ORC Deposit	20,516.22	-
Foreign Exchange Fluctuation (JICA)	-	8,894.29
LDCD Fund	4,283.76	6,941.56
Total	1,00,018.22	85,505.26
Aggregate amount of unquoted securities	-	-
Aggregate amount of quoted securities	95,734.45	78,563.70
Market value of quoted securities	96,128.66	84,720.34
Aggregate amount of impairment in the value of investments	-	-

6.2 Non-Current Loans

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured , considered good unless stated otherwise		
Loans & Advances to Employees	124.49	124.14
Total	**124.49**	**124.14**

7 Non-Current Tax Assets (Net)

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Income Tax	31,271.72	15,056.60
(net of Provision for Tax Rs. 3,51,570.72 Lakhs (Previous Year Rs.3,16,431.03 Lakhs)		
Total	**31,271.72**	**15,056.60**

8 Other Non-current Assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured , considered good unless stated otherwise		
Capital Advances	542.09	541.29
Unamortised transaction cost	38.10	32.51
Balances with group companies	2,077.97	2,077.90
Security Deposits	3,995.74	5,555.83
Advances to Suppliers	2,305.63	1,744.76
Advances and Recoverables	6.32	6.50
Total	**8,965.85**	**9,958.79**

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Stores & Spares	28,839.44	19,845.36
- Provision for Material Losses Pending Investigation & Obsolete Materials	(722.65)	(722.65)
Total	**28,116.79**	**19,122.71**

10.1 Current Investments

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Quoted		
At amortised Cost		
Investments in Government Securities*	9,150.90	5,073.09
Investments in Bonds*	6,163.60	6,073.71
Un-Quoted		
Fixed Deposit with Bank #	22,759.62	38,435.70
Total	**38,074.12**	**49,582.50**

Under Pledge Refer Note no-35
* Earmarked against Contingency Reserve and Exchange Fluctuation on account of Borrowings from Japan International Cooperation Agency as follows:

(Rs in Lakhs)

Contingency Reserve	6,516.81	6,073.71
Foreign Exchange Fluctuation (JICA)	8,797.69	5,073.09
Total	**15,314.50**	**11,146.80**

Aggregate amount of unquoted securities	0.00	0.00
Aggregate amount of quoted securities	15,314.50	11,146.80
Market value of quoted securities	15,536.40	11,514.66
Aggregate amount of impairment in the value of investments		

10.2 Trade Receivables

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured unless stated otherwise		
Considered Good	319,197.80	301,131.79
- Allowance as per Expected Credit Loss Model	-	-
Considered Doubtful	11,613.59	11,613.59
- Allowance for Doubtful	(11,613.59)	(11,613.59)
Total	3,19,197.80	3,01,131.79

10.3 Cash and Cash Equivalents

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balances with Banks		
In Current Accounts	6,705.31	11,483.55
In Fixed Deposit Accounts (with original maturity of less than 3 months)	37,709.55	7,456.19
Cash and Stamps on Hand	12.42	12.73
In Designated Current Account operated and maintained in terms of MERC Regulation @	22,209.10	20,116.00
Total	**66,636.38**	**39,068.47**

@ Refer Note No 47

10.4 Current Loans

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good		
Loans & Advances to Employees	250.89	277.18
Total	**250.89**	**277.18**

10.5 Other Current Financial Assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured , considered good unless stated otherwise		
Interest Receivable	4,397.03	2,736.08
Other Receivable	731.44	399.66
Total	**5,128.47**	**3,135.74**

11 Other Current Assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered Good		
Security Deposit*	0.00	0.41
Prepaid Expenses	724.71	490.37
Other Recoverable	0.00	0.00
Considered good	120.69	118.76
Considered doubtful	149.11	149.11
Less - Provision for Doubtful Debts	(149.11)	(149.11)
Total	**845.40**	**609.54**

*Security Deposit are held in the name of Contractor

12 Equity Share Capital

(Rs in Lakhs)

	Particulars	As at 31.03.2022	As at 31.03.2021
a)	**Authorised** 1500,00,00,000 Equity Shares of Rs.10/- each(Previous year 31st March, 2021 : 1500,00,00,000)	15,00,000.00	15,00,000.00
b)	**Issued, Subscribed and Paid up** 898,49,74,733 Equity Shares of Rs.10/- each(Previous year 31st March, 2021 : 898,49,74,733)	8,98,497.47	8,98,497.47
	Total	**8,98,497.47**	**8,98,497.47**

c) **Terms & Rights attached to equity shares**

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

d) **Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period**

(Rs in Lakhs)

Equity Shares	As at 31.03.2022		As at 31.03.2021	
	Numbers	Rs. in Lakhs	Numbers	Rs. in Lakhs
Shares outstanding at the beginning of the year	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47
Add: Shares Issue during the year				
Shares outstanding at the end of the year	**8,98,49,74,733**	**8,98,497.47**	**8,98,49,74,733**	**8,98,497.47**

e) **Shares held by the Promoter at the end of the year**

Shares held by the Promoter at the end of the year				% Change during the year
Promoter Name	Designation	No of Shares	% of Total Shares	
MSEB Holding Company Limited		8,98,49,74,673	99.99%	NIL
Shri Dinesh T. Waghmare, IAS	MD,MSEBHCL	10	0.01%	
Shri Dinesh T. Waghmare, IAS	CMD, MSETCL	10		
Shri Ravindra Atmaram Sawant	Dir(F), MSEBHCL	10		
Shri Quadri Nasir Syed Mazhar	Dir(P), MSETCL	10		
Shri Anil V. Kolap	Dir(O), MSETCL	10		
Shri Ashok Phalnikar	Dir(F), MSETCL	10		

*All Individual shareholders are holding shares in their ex-officio capacity of their respective Directorship. They are nominee shareholders of MSEB Holding Co. Ltd.

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Numbers	%	Numbers	%
Equity Shares MSEB Holding Company Limited	8,98,49,74,673	99.99%	8,98,49,74,673	99.99%

g) **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

	2021-22		2020-21	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Equity Shares of Rs.10 each issued in the financial year 2015-16 as fully paid up to the shareholders of MSEB Holding Company limited, pursuant to the Maharashtra State Electricity Reforms Transfer Scheme, 2005 approved by Governement of Maharashtra on 31.03.2016.	8,98,49,74,733	8,98,497.47	8,98,49,74,733	8,98,497.47

h) There were no shares alloted as fully paid up by way of Bonus shares and Buy back during the period of five years immediately preceding the reporting date

13 Other Equity

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Reserves & Surplus		
a) Contingency Reserve Fund (Refer note (a) below)		
Opening Balance	69,643.00	62,803.00
Transferred from retained earnings	8,335.00	6,840.00
	77,978.00	**69,643.00**
b) Special Reserve Fund (Refer note (b) below)		
Opening Balance	13,939.00	13,939.00
Add : Addition During the Year	0.00	0.00
	13,939.00	**13,939.00**
c) Load Despatch Center Empowerment Reserve (LDCD) Fund (Refer note (c) below)		
Opening Balance	6,941.56	5,265.15
Add : Addition/(Reversal) During the Year	(1,857.08)	1,857.83
Less : Utilisation for capex (allowed by MERC)	(800.72)	(181.42)
	4,283.76	**6,941.56**
d) Retained Earnings		
Opening Balance	2,42,112.28	1,42,754.68
Appropriation of Load Despatch Center Empowerment Reserve (LDCD) Fund amount from Retained Earnings	1,857.08	(1,857.83)
Profit for the year	95,535.95	107,337.17
Share of net profits of Associate/Joint Venture accounted for using equity method	1,365.68	515.15
Other comprehensive income for the year	(2,145.16)	203.19
Share of other comprehensive income of Associates accounted for using the equity method, net of tax	(1.05)	(0.08)
Total comprehensive income for the year	**96,612.50**	**106,197.61**
Transfered to Contingency Reserve	(8,335.00)	(6,840.00)
Transfered to Special Reserve Fund	-	-
	3,30,389.78	**2,42,112.28**
Total	**4,26,590.54**	**3,32,635.84**

The Description of the nature and purpose of each reserves in other equity is as follows:

a) Contingency Reserve Fund-

A contribution towards Contingency Reserves has to be made in accordance with Regulation 36 of MERC(MYT) Regulations, 2015 and which is within the prescribed limits of Regulation(not less than 0.25% and not more than 0.5% of the original cost of fixed assets annually) and is to be invested in the approved class of securities authorised under the Indian Trust Act, 1882.

b) Special Reserve Fund-

A contribution towards Special Reserve has to be made in accordance to the mechanism for sharing of gains or losses on account of controllable factors as per MERC Regulation, 2005. As per the regulation 19.1(b) one third of the amount of such gain is to be retained in a special reserve for the purpose of absorbing the impact of any future losses on account of controllable factors.

c) Load Despatch Center Empowerment Reserve (LDCD)-

A contribution towards Load Despatch Center Development Fund has been made in accordance with Regulation 12 of the CERC (Fees and Charges of RLDC and Other related matters) 2015. The said fund is to be utilised for administrating capital expenditure.The charges on account of return on equity, interest on loan, depreciation of the Regional Load Despatch Centres and National Load Despatch Centre including the registration fee, shall be deposited into the LDCD Fund after meeting the statutory tax requirements.

14.1 Non-Current Borrowings

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Secured		
Term Loans from Banks (Note 14.1.a)	1,44,064.03	65,384.74
Term Loans from Other Parties (Note 14.1.b)	2,76,185.53	3,87,446.81
Total	**4,20,249.56**	**4,52,831.55**

(Refer Note 35 & 37.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

14.1 a. Term Loans from Banks

(Rs in Lakhs)

Name of the Bank	As at 31.03.2022	As at 31.03.2021
Canara Bank	15,708.11	15,262.03
Bank of Maharashtra	66,535.99	30,699.72
Bank of India	4,953.11	7,253.16
ICICI Bank	21,111.10	0.00
Bank of India - 2	25,660.64	12,169.83
Bank of India - 3	10,095.08	0.00
Total	**1,44,064.03**	**65,384.74**

14.1 b. Term Loans from Other Parties

(Rs in Lakhs)

Name of the Financial Institutes	As at 31.03.2022	As at 31.03.2021
Rural Electrification Corporation Limited	2,17,536.63	2,60,505.46
Japan International Corporation Agency	0.00	2,865.59
Power Finance Corporation Limited	54,134.06	1,19,601.51
Kreditanstalt für Wiederaufbau (KfW) Bank #	4,514.84	4,474.25
Total	**2,76,185.53**	**3,87,446.81**

Refer Note 46

14.2 Other Non-Current Financial Liabilities

(Rs in Lakhs)

Name of the Financial Institutes	As at 31.03.2022	As at 31.03.2021
Retention Money	1,07,862.20	1,07,699.59
Security Deposits *	15,335.33	17,656.27
Other deposits	76.44	96.89
Deposit received from Consumers under ORC Schemes	1,23,145.85	1,13,639.57
Total	**2,46,419.82**	**2,39,092.32**

* Security / Other Deposits from Vendors/Contractors/Customer, not being considered as Financial Liability on the basis of guidance in Ind AS 113 issued by Institute of Chartered Accountants of India (ICAI) is not fair valued.

15 Non - Current Provisions

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Employment Benefits		
Provision for Gratuity	43,828.24	39,213.68
Provision for Leave Encashment	47,474.16	43,945.15
Creditors for Capital Expenditures	12,074.72	11,939.86
Total	**1,03,377.12**	**95,098.69**

16 Deferred tax liabilities (Net)

(Rs in Lakhs)

Particulars*	As at 31.03.2022	As at 31.03.2021
Deferred tax liabilities		
Property, plant and equipment (includes intangible assets and revaluation impact)	2,89,907.99	2,99,718.12
DTL	**2,89,907.99**	**2,99,718.12**
Deferred tax assets		
Right of Use Assets and its Lease Liabilities	175.81	201.09
Loans and borrowings	820.34	824.25
Employee Benefits	27,216.50	24,783.40
Impairment on trade receivables	963.09	963.09
Government grant	1,232.21	629.92
Amortisation of investment in govt securities	1,547.55	1,538.69
Others	7,778.41	7,778.41
DTA	**39,733.92**	**36,718.84**
Reversal of opening DTL	3,499.92	3,499.92
Net (DTA)/DTL	**2,46,674.15**	**2,59,499.37**

* Refer Note -32

17 Other Non-Current Liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Grant : Power System Development Fund	6,922.54	3,975.22
Grant: Towards cost of capital assets	14,683.83	15,460.67
Grant : Green Energy Corridor for Projects	7,499.44	7,998.11
Grant: Tribal Sub Plan Area (TSP)	1,874.26	1,914.13
Grant: In Aid from PGCIL for REMC Assets	468.67	617.48
Total	**31,448.74**	**29,965.61**

(Refer Note No 30)

18.1 Current Borrowings

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Loan Repayable on Demand		
Secured		
Current Maturities of Term Loans from Banks	35,948.57	29,583.00
Current Maturities of Term Loans from Other Parties	45,513.44	56,372.76
Total	**81,462.01**	**85,955.76**

(Refer Note 35 & 37.2 for details regarding terms of borrowings, nature of security, repayment terms etc.)

18.2 Trade payables

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Dues to Micro,Small and Medium Enterprises (Refer note 41)	283.73	712.12
Due to others	24,761.38	28,420.60
Total	**25,045.11**	**29,132.72**

Refer Note no 33

18.3 Other current financial liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Interest accrued but not due on borrowings	2,806.83	4,250.05
Payable to MSEB CPF Trust	1,922.44	2,361.83
Employee related payables	4,663.40	4,672.05
Payable to group companies	4,239.89	4,121.19
Other payables	1,422.37	1,247.40
Total	**15,054.93**	**16,652.52**

19 Other current liabilities

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Duties & taxes payable	1,389.32	1,181.77
Advances from customers	3,662.74	6,412.17
Other Liability - Thrid Party (Net) (Liability in respect of Designated Accounts operated and maintained in terms of MERC Regulations) @	22,209.10	20,116.00
Other payables	406.42	319.03
Total	**27,667.58**	**28,028.97**

@ Refer Note No 47

20 Short term provisions

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for gratuity	4,741.70	5,385.35
Provision for leave encashment	8,387.10	8,815.22
Provision for CSR Expenditure	6,765.06	8,138.01
Provision for late interest payment on Service Tax	264.43	264.43
Provision for Tree/Land Compensation	1,428.62	1,626.54
Provision for Pay Revision	0.00	6,847.51
Provision for Shortfall on CPF Liability	2,652.91	3,593.92
Other Provisions	3,158.43	1,643.35
Total	**27,398.25**	**36,314.33**

21 Revenue from operations

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Transmission charges (STU)	4,57,160.05	4,59,807.82
Transmission charges (Goa)	0.00	0.00
Transmission charges (Others)	13,191.97	13,312.14
Open Access Charges	934.47	518.29
SLDC Charges	3,238.32	3,416.26
Additional Transmission and Regulatory Charges	11,211.96	0.00
Rescheduling Charges	643.01	342.83
Total	**4,86,379.78**	**4,77,397.34**

22 Other Income

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Interest income	11,134.40	9,067.28
Rent	662.07	654.44
Profit on sale of Property , Plant and Equipment	1,330.83	662.62
Sale of tender forms	109.67	88.77
Income from sale of scrap	1,018.44	1,082.76
Government Grant	1,723.59	1,169.76
Other Miscellaneous Income #	17,580.50	8,445.61
Gain on foreign currency transactions and translations (Net)	382.82	470.58
Total	**33,942.32**	**21,641.82**

includes the rectification entry passed for Rs 4635.44 lakhs in PY 2020-21 on account of erroneous booking of additional transmission charges accrued, reversed after due clarification from MERC.

23 Repairs & Maintenance Expenses

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Property, Plant and Equipment	39,192.76	14,152.69
Others	0.00	0.05
Repairs and maintenance expenses capitalised	(18.22)	(62.54)
Total	**39,174.54**	**14,090.20**

Charging of previous years Repairs & Maintenance Expenses, withdrawn due to treating of Inventory as Property Plant and Equipment Policy as referred at Note No 50.

Financial Year	(Rs in lakhs)
FY 2015-16	722.74
FY 2016-17	2,140.90
FY 2017-18	2,913.39
FY 2018-19	10,295.83
FY 2019-20	5,558.32
FY 2020-21	19,917.47
TOTAL R&M charged as Exceptional items in FY 2021-22	41,548.65

24 Employee Benefits Expense

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Salaries, allowances, Bonus etc.	94,917.00	90,586.11
Staff welfare expenses	4,954.94	3,569.82
Other staff costs*	(86.10)	1,559.92
Leave encashment	11,155.36	8,212.47
Gratuity	5,843.25	5,873.76
Contribution to Provident & Other Funds	8,425.13	8,007.83
Employee costs capitalised	(8,783.52)	(8,188.28)
Total	**1,16,426.06**	**1,09,621.63**

* Includes reversal of excess provision for CPF Plan Assets by Rs. 941 Lakhs (PY Nil).

25 Finance Costs

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Interest Expense		
(i) Banks	13,524.00	3,334.05
(ii) Others	33,047.78	53,682.57
Transaction Costs	184.44	146.78
Other Finance Costs		
(i) Miscellaneous Costs	2,129.49	778.41
Amortisation of borrowings	79.10	146.14
Interest on Lease Liabilities	296.13	458.80
Interest and Finance Charges Capitalised	(7,363.44)	(8,033.87)
Total	**41,897.51**	**50,512.88**

26 Other expenses

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Advertisement Expenses	35.33	46.77
Advertisement of tenders / notices and other purchase related advertisement	309.53	319.28
Auditor's Remuneration		
Statutory Audit Fees	29.50	22.00
For Reimbursement of Expenses	9.00	9.00
For Reimbursement of GST on Audit Fee	6.93	5.58
Electricity Charges	6,370.02	5,440.91
Freight Charges	1.49	2.71
Insurance	297.57	269.29
Legal & Professional (Technical/Consultancy/Other Auditors) Fees	923.48	377.06
Membership & Subscription	597.64	579.47
Miscellaneous Expenses	2,420.97	1,350.05
Balances Written off/ written back (Net)	461.85	50.79
Outsource Personnel Salary	10,416.82	8,934.17
Postage Telephone & Telex	343.76	356.29
Printing & Stationery	286.97	211.94
Rent	32.42	59.09
Rates & Taxes	1,671.66	1,495.56
Security Expenses	10,232.83	9,676.36
Travelling & Conveyance	501.87	523.97
Upkeep of office (incl Rest house maintenance)	1,129.44	1,131.43
Vehicle Running & Maintenance Expenses	456.77	337.61
Water charges	592.09	584.25
Expenditure on Hire	3,012.22	2,520.76
Foreign Exchange Loss	0.37	111.20
Corporate Social Responsibility Expenses*	1,944.39	1,359.21
- Expenses capitalised	(1,770.10)	(1,530.89)
Total	**40,314.82**	**34,243.87**

* Refer Note No. 45

Note No 27 : Leases

I) **Leases as Lessee**

The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the company. Right of Use and Lease Liabilities have been shown separately in the Balance Sheet.

The Company has adopted Ind AS 116 "Leases" with effect from April 1, 2019, with a modified retrospective approach. The Company has elected to account for short-term leases using the practical expedients i.e. instead of recognising right-of-use asset and lease liability, the payments in relation to these shot term leases are recognised as an expense in profit or loss. Company uses borrowing rate of 10.04% as considered by MERC during the approval of Interest Expenses on Normative Loans in its ARR Orders.

I. Lease disclosures under Ind-AS 116 for the current year ended 31 March 2022

(I) Amount Recognised in the Balance sheet

(Rs in Lakhs)

Sr. No.	Particulars	For year ended 31.03.2022	For year ended 31.03.2021
a)	**Right-of-use assets (net)**	17,744.03	17,863.41
b)	**Lease liabilities**		
	Current	1,947.42	1,760.08
	Non-current	31.13	1,956.33
	Total Lease liabilities	**1,978.55**	**3,716.41**
c)	**Additions to the Right-of-use assets**	31.17	69.86

(ii) Amount recognised in the Statement of profit and Loss

(Rs in Lakhs)

Sr. No.	Particulars	For year ended 31.03.2022	For year ended 31.03.2021
a)	Depreciation charge for right-of-use assets	1,696.70	1,689.66
b)	Interest expenses (included in finance cost)	296.13	458.80

(iii) Future Commitments

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Future undiscounted lease payment	2090.09	4118.39

(iv) Maturity analysis of undiscounted lease liability

(Rs in Lakhs)

Period	For year ended 31.03.2022	For year ended 31.03.2021
Not Later than one year	2057.78	2064.42
Later than one year	32.31	2053.97
Total	**2090.09**	**4118.39**

The Company's significant leasing/ licensing arrangements are mainly in respect of office premises. Leases generally have a lease term ranging for 60 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

Finance costs includes interest expense amounting to Rs. 296.13 Lakhs for the year ended 31st March 2022 on lease liability accounted in accordance with Ind AS 116 "Leases".

(II) Leases as lessor

The Company has given land to Maharashtra Eastern Grid Power Transmission Company Limited for 20 years for construction of 765/400 sub-station. All the land cost have been received from MEGPTL. Hence assets is adjusted and kept at Re 1 under Property, Plant and Equipment.

Note 28 Employee Benefits

a) Defined Contribution Plans

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss. According to the Management, the Actuary has opined that actuarial valuation can not be applied to reliably measure provident fund liabilities in absence of guidance from the Actuary Society of India. The Fair value of investment is excess by Rs. 2185.79 Lakhs (PY Rs.172.19 Lakhs) than subscription value, hence no provision is made by the Company. The Company recognised Rs. 8418.83 lakhs (previous year Rs. 7,999.54 lakhs) for Provident Fund contribution in the Statement of Profit and Loss.The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Provident Fund

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Liability for subscriptions and interest payable to employees at the end of the year	1,92,229.42	1,77,298.35
Fair value of plan assets at the end of the year	1,92,415.21	1,77,470.54
Net Liability	**(185.79)**	**(172.19)**

ii) Description of plan assets

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Government Securities (GOI)	6.58%	7.11%
State Development Loan (SDL)	32.83%	31.03%
Other Security Gaurantee by Central/State Govt	5.88%	6.47%
Debt's and Other Related Instrument	28.63%	29.97%
Others	1.53%	1.98%
Exchange Traded Fund (ETF) SBI & UTI	4.45%	2.49%
Special Deposit Schemes(SDS)	20.09%	20.95%

b) Defined Benefit Plan : Gratuity

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

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

Gratuity (Unfunded)

Movement in net defined benefit (asset)/ liability

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

Particulars	As at 31.03.2022	As at 31.03.2021
Defined benefit obligation at the beginning of the year	44,599.03	45,043.17
Current service cost	2,779.30	2,771.27
Past Service Cost	-	-
Net Interest cost	3,063.95	3,103.47
Actuarial (gain)/loss on Obligation - Due to change in Demographic Assumptions	(263.13)	-
Actuarial (gain)/loss on Obligation - Due to change in Financial Assumptions	(1,570.15)	73.13
Actuarial (gain)/loss on Obligation - Due to change in Experience	5,130.69	(383.93)
Benefits paid	(5,169.75)	(6,008.08)
Defined benefit obligation at the end of the year	**48,569.94**	**44,599.03**

ii) Reconciliation of opening and closing balances of fair value of plan assets **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Employer contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

iii) Reconciliation of fair value of assets and obligations: **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Fair value of plan assets as at the end of the year	-	-
Present value of obligations as at the end of the year	(48,569.94)	(44,599.03)
Unfunded (Liability)/asset recognized in the Balance Sheet	(48,569.94)	(44,599.03)

iv) Amount recognized in the Statement of Profit and Loss : **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Current service cost	2,779.30	2,771.27
Interest cost	3,063.95	3,103.47
Past Service Cost	-	-
Expected return on plan assets	-	-
Net Actuarial (gain)/loss	-	-
Total expenses recognized in the Statement of Profit and Loss account	5,843.25	5,874.74

v) Amount recognised in Other Comprehensive Income : **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Actuarial (Gains)/ Losses	-	-
- Changes in Demographic assumptions	(263.13)	-
- Changes in Financial arrangements	(1,570.15)	73.12
- Changes in the effect of limiting a net defined benefit asset ceiling, excluding amounts included in interest	-	-
- Experience adjustments	5,130.69	(383.92)

vi) Major Actuarial Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	7.25%	6.87%
Expected return on plan assets	NA	NA
Salary increment	5%	5%
Employee turnover	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2006-08 Ultimate
Mortality rate after employment	N. A.	N. A.

vii) The expected future cash flows as on : **(Rs in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
Projected benefits payable in future years from the date of reporting		
1st following year	4,741.70	5,385.35
2nd following year	3,746.84	3,039.58
3rd following year	4,099.48	4,072.89
4th following year	3,631.55	3,582.98
5th following year	3,714.62	3,163.05
Sum of year 6 to 10	18,474.03	15,906.49
Sum of Year 11 and above	65,626.54	56,583.79

viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31.03.2022	As at 31.03.2021
(+) 1% change in rate of discounting	(3,738.22)	(3,400.33)
(-) 1% change in rate of discounting	4,331.78	3,958.99
(+) 1% change in rate of salary increase	4,386.46	3,993.92
(-) 1% change in rate of salary increase	(3,845.90)	(3,487.15)
(+) 1% change in rate of employee turnover	790.48	593.33
(-) 1% change in rate of employee turnover	(884.49)	(667.90)

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

c) Long Term Benefits: Leave Encashment

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

Particulars	As at 31.03.2022	As at 31.03.2021
Projected Benefit Obligation	39,340.93	37,307.98
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

ii) Major Actuarial Assumptions (Earn Leave Valuation)

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	7.25%	6.87%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2006-08 Ultimate
Retirement Age	58 & 60 years	58 & 60 years
While in service encashment rate	10% for the next year	10% for the next year

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Projected Benefit Obligation	16,520.33	15,452.39
Funding Status	Unfunded	Unfunded
Fund Balance	N.A	N.A

iv) Major Actuarial Assumptions (Half paid leave)

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	7.25%	6.87%
Salary Escalation rate	5%	5%
Attrition rate	2%	2%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	58 & 60 years	58 & 60 years

Note 29 : Related Party Transactions

1 Names of related parties

a) Subsidiary

Kharghar Vikhroli Transmission Private Limited (ceased to be subsidiary w.e.f. 25th June 2020)

Associates

Jaigad Power Transco Limited

Maharashtra Transmission Communication Infrastructure Limited

b) Key Managerial Personnel

Key Management Personnel Name	Designation	Tenure
Shri. Dinesh T. Waghmare	Chairman & Managing Director	23.01.2020 onwards
Shri. Ravindra Dinkarrao Chavan	Director (Projects)	06.05.2015 to 04.05.2018 18.05.2018 to 29.10.2021
Shri. Nasir Syed Quadrri	Director (Projects)	05.10.2021 onwards
Shri. Sanjay Taksande	Director (Operations)	01.04.2019 to 19.03.2021
Shri. Anil V Kolap	Director (Operations)	05.10.2021 onwards
Shri. Ashok Phalnikar	CFO & Director(Finance)	05.10.2020 onwards
Smt. Pushpa Ramcharan Chavan	Independent Director	26.06.2014 to 01.06.2020
Shri. Vishwas Pathak	Independent Director	24.08.2015 to 08.01.2020
Smt. Trupti Nitin Mudholkar	Independent Director	22.01.2021 onwards
Smt. Vineeta Shriwani	Company Secretary	22.06.2015 onwards

c) Remuneration paid to Key Managerial Personnel **(Rs in Lakhs)**

Key Managerial Personnel Name	2021-22	2020-21
Shri. Dinesh T. Waghmare	-	32.48
Shri. Ravindra Dinkarrao Chavan	102.34	59.38
Shri. Anil V Kolap	24.51	-
Shri. Sanjay Taksande	3.89	31.22
Shri. Nasir Syed Quadrri	21.48	-
Shri. Ashok Phalnikar	33.00	16.36
Smt. Vineeta Shriwani	32.44	30.18

d) Sitting Fees paid to Independent Directors **(Rs in Lakhs)**

Name of Independent Directors	2021-22	2020-21
Smt. Pushpa Ramcharan Chavan	-	0.05
Smt. Trupti Nitin Mudholkar	0.40	0.00

e) Transactions during the year with Subsidiaries/Associates: **(Rs in Lakhs)**

Particulars	2021-22	2020-21
Subsidiary		
Kharghar Vikhroli Transmission Pvt Limited		
Investment in Equity Shares*	**0.00**	**(5.00)**
A	**0.00**	**(5.00)**
Associates		
Jaigad Power Transco Limited		
Bay Maintenance income	57.80	44.52
B	**57.80**	**44.52**
Total (A+B)	**57.80**	**39.52**

* ceased to be subsidiary w.e.f. 25th June 2020.

f) Outstanding balances with Associates: **(Rs in Lakhs)**

Name of Associates	As at 31.03.2022	As at 31.03.2021
Investments in Equity Shares		
Jaigad Power Transco Limited	3,575.00	3,575.00
Maharashtra Transmission Communication Infrastructure Limited	880.46	880.46
Investments in Preference Shares		
Maharashtra Transmission Communication Infrastructure Limited	880.46	880.46

2 Key Managerial Personnel are not entitled for post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements.

3 The Company has not included disclosure in respect of following related parties which are Government related entities as per Ind AS 24:
Maharashtra State Power Generation Company Limited (MahaGenco) (MSPGCL)
Maharashtra State Electricity Distribution Company Limited (MahaVitaran) (MSEDCL)
MSEB Holding Company Limited (MSEB Holding Company Limtied) (MSEBHCL)

Note 30 : Government Grants for capital assets

(Rs in Lakhs)

Capital / Government grants	Amount
As at 01.04.2020	**29,184.17**
Received during FY 2020-21	1,700.48
Interest received on GEC & PSDF Grants	250.72
Refunded to Government during the year FY 2020-21	0.00
Government Grant amortised during FY 2020-21	(1,169.76)
As at 31.03.2021	**29,965.61**
Received during FY 2021-22	3,190.00
Interest received on GEC & PSDF Grants	23.29
Refunded to Government during the year FY 2021-22	(6.57)
Government Grant amortised during FY 2021-22	(1,723.59)
As at 31.03.2022	**31,448.74**

	31.03.2022	31.03.2021
Current	776.83	776.83
Non-current	30,671.91	29,188.78
Total	**31,448.74**	**29,965.61**

MSETCL has received Government Grant for the purpose of strengthening of Transmission Network by constructing Substations and Lines in various Districts in Maharashtra.

F. Y.	Grants Received (Rs in lakhs)	Reasons for unfulfilled conditions
Grant received for Construction of Substations and Lines for strentening of Transmission Network in 14 Districts		
2006-07	6,850.00	Total 29 Schemes out of which only 2 schemes are still ongoing, status thereof is unascertainable
2007-08	8,000.00	Total 21 Schemes out of which only 4 schemes are still ongoing, status thereof is unascertainable
2008-09	9,000.00	Total 79 Schemes out of which only 3 schemes are still ongoing, status thereof is unascertainable
Grant received as Power System Development Fund for System Improvement		
2017-18	874.40	Work in progress
2018-19	1,284.90	
2019-20	740.60	
2020-21	1,083.00	
2021-22	3,190.00	
Grant against Green Energy Corridor Project received as per the recommendation of 13th Finance Commission towards equity portion of MSETCL		
2017-18	7,500.00	Work in progress
2018-19	3,556.59	
2019-20	611.20	
2019-20(Refunded)	(3,500.00)	
Grant received from State Government towards 50% construction cost of Jawahar substation in Thane district under Tribal Sub Plan Area (TSP)		
2017-18	1,809.38	Work in progress
2018-19	182.20	
Grant in Aid from Ministry of Power, GoI (through PGCIL) for Renewable Energy Management Center (REMC) Assets as part of control infrastructure at Green energy corridors at 11 locations.		
2020-21	617.48	Assets handed over to SLDC by PGCIL
Interest Earned on GEC and PSDF Grant	23.29	

Note 31 : Earnings Per Share (EPS)

(Rs in Lakhs)

Particulars	31.03.2022	31.03.2021
No. of Equity Shares at the begenning of the year	8,98,49,74,733	8,98,49,74,733
Shares issued during the year (Nos)	-	-
No. of Equity Shares at the end of the year	8,98,49,74,733	8,98,49,74,733
Weighted Average No of Equity Shares	8,98,49,74,733	8,98,49,74,733
Profit for calculation of EPS (Rs in lakhs)	96,901.63	107,852.33
Basic and Diluted Earnings Per Share (Rs)	1.08	1.20

Note 32: Tax expense

(a) Amounts recognised in statement of profit and loss

(Rs in Lakhs)

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Current year	35,297.36	49,344.48
Current tax expense (A)	**35,297.36**	**49,344.48**
Origination and Reversal of Temporary Differences - Deferred Tax (Credit)/Charge	(11,672.96)	12,272.60
Deferred tax expense (B)	**(11,672.96)**	**12,272.60**
Tax expense recognised in the current statement (A) + (B)	**23,624.40**	**61,617.07**

(b) Amounts recognised in Other Comprehensive Income

(Rs in Lakhs)

Particulars	For year ended 31.03.2022			For year ended 31.03.2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss : Remeasurements of the defined benefit plans	(3,297.40)	1,152.24	(2,145.16)	311.78	(108.59)	203.19
	(3,297.40)	**1,152.24**	**(2,145.16)**	**311.78**	**(108.59)**	**203.19**

(c) Reconciliation of effective tax rate

(Rs in Lakhs)

Particulars	2021-22		2020-21	
	%	Rs. In lakhs	%	Rs. In lakhs
Profit before Tax		1,20,526.03		1,69,469.41
Current Tax using Applicable Tax Rate	34.94	42,116.62	34.94	59,219.39
Tax effect of:				
Non-deductible Expenses	1.15	1,381.04	0.61	1,033.03
Allowable Expenses	(1.76)	(2,120.92)	(2.44)	(4,136.33)
Deduction u/s 80-IA	(4.73)	(5,704.66)	(3.94)	(6,683.09)
DTL Reversal on Reclassification of Spares	(11.45)	(13,804.49)	-	-
DTL on Property, Plant & Equipment	4.27	5,146.63	7.77	13,170.12
DTA on Others	(2.81)	(3,389.82)	(0.58)	(986.06)
Current Tax as per P&L and Effective Tax Rate	**19.60**	**23,624.40**	**36.36**	**61,617.07**

Note No. 32 (continued)

(d) Movement in deferred tax balances

(Rs in Lakhs)

Particulars	Net balance April 1, 2021	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	31-Mar-22 Net	31-Mar-22 Deferred tax asset	31-Mar-22 Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets and revaluation impact)	(2,99,718.12)	9,810.13	-	-	(2,89,907.99)	-	(2,89,907.99)
Right of Use Assets and its lease liability	201.09	(25.28)	-	-	175.81	175.81	-
Loans and borrowings	824.25	(3.91)	-	-	820.34	820.34	-
Employee benefits	24,783.40	1,280.86	1,152.24	-	27,216.50	27,216.50	-
Provisions (Trade Receivables)	963.09	-	-	-	963.09	963.09	-
Government grant	629.92	602.29	-	-	1,232.21	1,232.21	-
Investment in government security	1,538.69	8.86	-	-	1,547.55	1,547.55	-
Other items	7,778.41	-	-	-	7,778.41	7,778.41	-
Tax assets (Liabilities)	**(2,62,999.28)**	**11,672.96**	**1,152.24**	**-**	**(2,50,174.08)**	**39,733.91**	**(2,89,907.99)**
Reversal of Opening DTL	**3,499.92**	**-**	**-**	**-**	**3,499.92**	**3,499.92**	**-**
Tax assets (Liabilities) (Net)	**(2,59,499.36)**	**11,672.96**	**1,152.24**	**-**	**(2,46,674.16)**	**43,233.83**	**(2,89,907.99)**

(e) Movement in deferred tax balances

(Rs in Lakhs)

Particulars	Net balance April 1, 2021	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	31-Mar-21 Net	31-Mar-21 Deferred tax asset	31-Mar-21 Deferred tax liability
Deferred tax Asset/(Liabilities)							
Property, plant and equipment (includes intangible assets, critical spares and revaluation impact)	(2,87,898.56)	(11,819.56)	-	-	(299,718.12)	-	(2,99,718.12)
Right of Use Assets and its lease liability	84.09	117.00	-	-	201.09	201.09	-
Loans and borrowings	824.25	-	-	-	824.25	824.25	-
Employee benefits	26,133.97	(1,241.98)	(108.59)	-	24,783.40	24,783.40	-
Provisions	963.09	-	-	-	963.09	963.09	-
Government grant	221.16	408.76	-	-	629.92	629.92	-
Investment in government security	1,275.50	263.18	-	-	1,538.69	1,538.69	-
Other items	7,778.41	-	-	-	7,778.41	7,778.41	-
Tax assets (Liabilities)	**(2,50,618.10)**	**(12,272.60)**	**(108.59)**	**-**	**(2,62,999.28)**	**36,718.85**	**(2,99,718.12)**
Reversal of Opening DTL	**3,499.92**	**-**	**-**	**-**	**3,499.92**	**3,499.92**	**-**
Tax assets (Liabilities) (Net)	**(2,47,118.18)**	**(12,272.60)**	**(108.59)**	**-**	**(2,59,499.36)**	**40,218.76**	**(2,99,718.12)**

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

Note No. 33

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost: **(Rs in Lakhs)**

	31.03.2022				31.03.2021			
Particulars	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Fair Value of items carried at Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Fair Value of items carried at Amortised cost**
Non -current financial Assets								
Investments			1,00,018.21				85,505.26	
Loans #			124.49				124.14	
Current Financial assets								
Investments			38,074.12				49,582.50	
Loans #			250.89				277.18	
Other Financial Assets #			5,128.47				3,135.74	
Total	-	-	**1,43,596.19**	-	-	-	**1,38,624.81**	-
Non - current Financial Liabilities								
Borrowings #			4,20,249.56				4,52,831.55	
Other non - current Financial Liabilities #			2,46,419.82				2,39,092.32	
Current Financial liabilities								
Borrowings #			81,462.01				85,955.76	
Trade Payables #			25,045.11				29,132.72	
Other Financial Liabilities #			15,054.93				16,652.52	
Total	-	-	**7,88,231.43**	-	-	-	**8,23,664.87**	-

The above amounts are considered at cost

"MSETCL has identified financial risk and categorized them in three parts Viz. (i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such categoryare as below."

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from customers and investment securities. MSETCL establishes the policy for allowance for expected credit loss and impairment that represents its estimate of losses in respect of trade, other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amounts.

Trade receivables:

As per the accounting policy, MSETCL has determined the allowance of expected credit loss on trade receivables arising out of its business of primary electricity transmission utility in the state of Maharashtra and taking into consideration its base of customers comprising of distribution Licensees, Wheeling of power and receivables from other services including STU and allied servies which contains major amounts to be recovered from fellow subsidiairies or entities which are also public sector entities

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

The Company works out the expected credit losses of trade receivables (which are presently considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables from services as described above. **However MSETCL, after considering the behaviour pattern of the customers has not made the provision for expected credit loss, other than for the identified doubtful receivables.**

Trade Receivable ageing Schedule as at 31 March 2022

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade Receivables - Considered Good	1,17,101.19	10,361.88	1,861.28	933.83	1,88,939.62	3,19,197.80
(ii) Undisputed Trade Receivables - Increased Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Increased Credit Risk	-	-	-	-	11,613.59	11,613.59
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-

Trade Receivable ageing Schedule as at 31 March 2021

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade Receivables - Considered Good	86,953.68	1,430.97	1,029.78	982.21	2,10,735.15	3,01,131.79
(ii) Undisputed Trade Receivables - Increased Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - Increased Credit Risk	-	-	-	-	11,613.59	11,613.59
(vi) Disputed Trade Receivables - Credit Impaired						-

Trade Payable Ageing Schedule as at 31 March 2022

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
(i) MSME	283.73	-	-	-	283.73
(ii) Others	12,427.74	2,161.89	544.88	9,626.86	24,761.37
Disputed Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-

Trade Payable Ageing Schedule as at 31 March 2021

(Rs in Lakhs)

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables					
(i) MSME	712.12	-	-	-	712.12
(ii) Others	9,400.59	483.704484	18,536.31	-	28,420.60
Disputed Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-

Cash and Cash Equivalents:

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balances with Banks		
In Current Accounts	6,705.31	11,483.55
In Fixed Deposit Accounts (with original maturity of less than 3 months)	37,709.55	7,456.19
Cash and Stamps on Hand	12.42	12.73
In Designated Current Account operated and maintained in terms of MERC Regulation	22,209.10	20,116.00
TOTAL	**66,636.38**	**39,068.47**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Company has an adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic credit rating from reputed credit rating agencies enables access of funds from domestic market. It's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. MSETCL diversifies its capital structure with a mix of financing products across varying maturities and currencies. The financing products include, clean & secured domestic Term loans. These loans are taken from REC, PFC and banks.

(ii) Maturities of financial liabilities

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

(Rs in Lakhs)

Particulars	Contractual cash flows					
	31.03.2022			31.03.2021		
	Upto 1 year	2-3 years	More than 3 years	Upto 1 year	2-3 years	More than 3 years
Non-derivative financial liabilities						
Borrowings	81,462	1,68,580	2,51,669	85,955	1,44,946	3,07,886
Total	**81,462**	**1,68,580**	**2,51,669**	**85,955**	**1,44,946**	**3,07,886**

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

Currency risk:

Interest rate risk exposure:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(Rs in Lakhs)

Particulars	Carrying amount	
	31.03.2022	31.03.2021
Fixed-rate instruments		
Financial assets	1,38,092.33	1,35,087.76
Financial liabilities	7,716.18	14,467.10
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	4,93,995.39	5,24,320.21

Cash flow sensitivity analysis for variable-rate instruments

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

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs in Lakhs)

Particulars	Profit or Loss			
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2022		31.03.2021	
Floating rate borrowings	1,234.99	(1,234.99)	1,310.80	(1,310.80)
Interest rate swaps (notional principal amount)	-	-	-	-
Cash flow sensitivity (net)	1,234.99	(1,234.99)	1,310.80	(1,310.80)

Note 34 A : Details of Associates

Name of Associate	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
			As at 31.03.2022	As at 31.03.2021
Equity Shares				
Jaigad Power Transco Ltd (JPTL)	Transmission of electricity	Mumbai	26.00%	26.00%
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	49.00%	49.00%
Preference Shares				
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Making available optical fibre capacity on lease	Mumbai	100.00%	100.00%

Aggregate Summarised Financial Information of Associates that are not individually material

(Rs in Lakhs)

Associates	Jaigad Power Transco Ltd (JPTL)		Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	
Particulars	2021-22	2021-21	2021-22	2021-21
Carrying amount of Investment in Equity Shares	4,691.13	4,036.60	0.00	0.00
Carrying amount of Investment in Preference Shares			618.13	756.60
Company's Share of Profit or Loss from Continuing Operations	744.75	654.14	620.93	(138.97)
Company's share of post-tax profit or loss from discontinued operations	-	-	-	-
Company's share in other comprehensive income	(3.74)	0.39	2.70	0.50
Company's share in Total comprehensive income	**741.01**	**654.53**	**623.62**	**(138.47)**

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Aggregate carrying amount of the Company's interest in these Associates	6,673.89	5,309.26
Impairment of Goodwill / Investments	-	-
Carrying amount of the Company's interest in these Associates	6,673.89	5,309.26

Note 34 B : Details of Subsidiary

(Rs in Lakhs)

Name of Subsidiary	Principal Activity	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interest / Voting Rights held by the Group	
			As at 31.03.2022	As at 31.03.2021
Equity Shares				
Kharghar Vikhroli Transmission Pvt Ltd (KVTPL) *	Transmission of electricity	Mumbai	0%	0%

* ceased to be subsidiary w.e.f. 25th June 2020

Note

Kharghar Vikhroli Transmission Private Limited (KVTPL) was an wholly Owned Subsidiary Company of Maharashtra State Electricity Transmission Company Ltd (MSETCL). MSETCL has invested Rs 5.00 Lakhs as Equity Contribution in it. Kharghar Vikhroli Transmission Private Limited is an unlisted private company. It was incorporated on 13 May, 2019 and is located in , Maharashtra. It is classified as a State Government Company.

KVTPL is formed as a Special Purpose Vehicle (SPV) for the purpose of 400 KV Vikhroli Sub-station project under the Tariff Based Competitive Bidding (TBCB) Route which is approved by Government of Maharashtra vide its GR dated 04 January, 2019 for construction of new Transmission projects in Maharashtra.

After completion of bidding process, the SPV is to be acquired by the Successful Bidder. Accordingly , MSETCL has handover the said Company to Adani Transmission Ltd on 25th June 2020. The project Kharghar Vikhroli Transmission comprises of approximately 34 km of 400 kV and 220 kV transmission lines along with 400kV GIS Substation at Vikhroli in Mumbai.

Note 34C : Disclosure of Additional Information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013.

(Rs in Lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share of Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2021-22		2021-22		2021-22		2021-22	
	As % of Consolidated net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit /(Loss)	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Total Comprehensive Income
Parent Company								
Maharashtra State Eletricity Transmission Company Limited	99.39%	13,23,749.98	98.59%	95,535.95	99.95%	(2,145.16)	98.56%	93,390.79
Associate/Joint Venture								
Jaigad Power Transco Ltd (JPTL)	0.53%	7,000.39	0.77%	744.75	0.17%	(3.74)	0.78%	741.01
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	0.08%	1,079.03	0.64%	620.93	-0.13%	2.70	0.66%	623.62
Total	**100.00%**	**13,31,829.40**	**100.00%**	**96,901.63**	**100.00%**	**(2,146.21)**	**100.00%**	**94,755.42**

* ceased to be subsidiary w.e.f. 25th June 2020

(Rs in Lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share of Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2020-21		2020-21		2020-21		2020-21	
	As % of Consolidated net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit /(Loss)	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Total Comprehensive Income
Parent Company								
Maharashtra State Eletricity Transmission Company Limited	99.46%	12,31,133.25	99.52%	1,07,337.17	99.56%	(203.19)	99.52%	1,07,540.36
Associate/Joint Venture								
Jaigad Power Transco Ltd (JPTL)	0.51%	6,257.43	0.61%	654.13	0.19%	(0.39)	0.61%	654.53
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	0.04%	455.41	-0.13%	(138.97)	0.24%	(0.50)	-0.13%	(138.47)
Total	**100.00%**	**12,37,846.09**	**100%**	**1,07,852.34**	**100.00%**	**(204.08)**	**100%**	**1,08,056.41**

Note No 34D

Interest in Associates/Joint Venture

MSETCL has a 26% (PY - 26%) interest in Jaigad Power Transmission Ltd (JPTL), a Associate/Joint venture engaged in the transmission of electricity and 49% (PY - 49%) interest in Maharashtra Transmission Communication Infrastructure Limited (MTCIL), a Associate/Joint venture engaged in making available optical fibre capacity on lease.

MSETCL's interest in JPTL & MTCIL ('Associate/Joint Venture') is accounted for using the equity method in the Consolidated Financial Statements. Summarised financial information of the Associate/Joint Venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(Rs in Lakhs)

Summarised Balance Sheet	JPTL		MTCIL	
Particulars	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Proportion of the Company's ownership (%)	**26.00%**	**26.00%**	**49.00%**	**49.00%**
Current Assets	2,636.38	2,629.49	12,994.10	6,547.89
Non Current Assets	25,627.98	28,340.33	10,599.10	9,928.59
Total Assets (A)	**28,264.36**	**30,969.82**	**23,593.20**	**16,476.49**
Current Liabilities	1,287.05	1,236.05	2,412.40	4,655.36
Non Current Liabilities	52.74	5,666.74	18,978.70	10,891.72
Total Liabilities (B)	**1,339.79**	**6,902.79**	**21,391.10**	**15,547.08**
Net Assets (A)-(B)	**26,924.57**	**24,067.03**	**2,202.10**	**929.41**
Proportion of the company's ownership	**7,000.39**	**6,257.43**	**1,079.03**	**455.41**
Add/ (less) : Dividend paid	-	-	-	-
Add/ (less) : Share in Profit/(Loss) for all previous years	1,568.25	1,566.30	(162.72)	(193.11)
Add/ (less) : Bonus Shares issued	-	-	-	-
Carrying amount of investments	**5,432.14**	**4,691.13**	**1,241.75**	**648.52**

(Rs in Lakhs)

Summarised Statement of Profit and Loss	JPTL		MTCIL	
Particulars	**As at 31.03.2022**	**As at 31.03.2021**	**As at 31.03.2022**	**As at 31.03.2021**
Proportion of the Company's ownership (%)	**26.00%**	**26.00%**	**49.00%**	**49.00%**
Revenue from operations	7,152.11	7,171.73	2,767.70	1,035.10
Other Income	131.72	140.77	0.20	0.40
Total Income (I+II)	**7,283.83**	**7,312.50**	**2,767.90**	**1,035.50**
EXPENSES				
Repair & Maintenance Expenses				
Purchase of Traded Goods	-	-	14.30	7.20
Employee benefits expense	145.69	105.74	56.60	73.22
Finance costs	361.75	832.31	1.20	286.40
Depreciation and amortization expense	2,923.72	2,913.40	669.10	627.60
Other expenses	381.80	407.36	759.50	324.69
Total expenses (IV)	3,812.96	4,258.81	1,500.70	1,319.11
Profit/(loss) before tax (III - IV)	**3,470.87**	**3,053.69**	**1,267.20**	**(283.61)**
Tax expense:				
(1)Current tax	(606.43)	(537.79)	-	-
(2) Current tax- Previous years	-	-	-	-
(3)Deferred tax	-	-	-	-
Profit/(Loss) for the year (V - VI)	**2,864.44**	**2,515.90**	**1,267.20**	**(283.61)**
Company's share of Profit/(Loss) for the year in the proportion of	**744.75**	**654.13**	**620.93**	**(138.97)**
Company's Investment				
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
- Remeaurement of defined benefit plans	(17.45)	1.83	5.50	1.02
(ii) Income tax relating to items that will not be reclassified to profit or loss	3.05	(0.32)	-	-
Other Comprihensive Income for the year	**(14.40)**	**1.51**	**5.50**	**1.02**
Company's share of Profit from Other Comprihensive Income in the proportion of	**(3.74)**	**0.39**	**2.70**	**0.50**
Company's Investment				
Total Comprehensive Income for the year (VII + VIII)	**741.01**	**654.53**	**623.62**	**(138.47)**

Note 35: Assets hypothecated / pledged as security

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Security created in respect of Non-current Borrowings		
Property, plant and equipment excluding leasehold land	1,51,40,754	18,03,267
Security created in respect of Current Borrowings		
i) Fixed Deposit Receipts	10,000	-
ii) Post Dated Cheques	45,000	50,000
Total assets as security	**1,51,95,754**	**18,53,267**

Note 36: Capital Management

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

(Rs in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Debt *	5,01,711.57	5,38,787.31
Cash and Cash Equivalents	(44,427.28)	(18,952.47)
Net Debt	457,284.29	519,834.84
Shareholders Equity	13,25,088.01	12,31,133.24
Net Debt to Equity Ratio	0.35	0.42

* Debt is defined as aggregate of long-term borrowings, short-term borrowings and current maturities of long term debt.

Note 37 : Other Notes

37.1 Contingency Reserve Fund, Special Reserve Fund & Load Despatch Center Empowerment Reserve (LDCD) Fund :

As per directions of MERC vide Order No. 31 of 2016 dated 7th July, 2016, the company for FY 2021-22 has appropriated an amount of Rs. 8,335.00 Lakhs (Previous Year Rs. 6,840.00 Lakhs) towards Contingency Reserve Fund. An amount of Rs. NIL (Previous Year Rs. NIL) has been appropriated towards Special Reserve Fund.An amount of Rs 1,857.08 Lakhs (Previous Year Rs 1,857.83 Lakhs apporpriated) has been withdrawn from Load Despatch Center Empowerment Reserve (LDCD) Fund.

37.2 Secured Loans:-

(Rs in Lakhs)

Name of the Institution	Loan Secured By: Guarantee from State Government	Loan Secured By: Hypothecation against future assets	Loan Secured By: Mortgage against existing assets	Total
Rural Electrification Corporation Limited (REC)	NIL	2,46,200.38	-	2,46,200.38
Power Finance Corporation Limited (PFC)	NIL	68,296.31	-	68,296.31
ICICI BANK	NIL	32,036.93	-	32,036.93
Canara Bank	NIL	20,708.11	-	20,708.11
Bank of India BOI-1	NIL	7,953.11	-	7,953.11
Bank of India BOI-2	NIL	25,660.64	-	25,660.64
Bank of Maharashtra	NIL	82,530.99	-	82,530.99
Bank of India BOI-3	NIL	10,095.08	-	10,095.08

Repayment Schedule of Long Term Loan Liabilities

Particulars	Rural Electrification Corporation	Power Finance Corporation	Bank of India-1	Bank of India-2	Bank of India-3	Canara Bank	JICA	KFW	Bank of Maharashtra	ICICI BANK
Nature of Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan	Term Loan
Loan Amount	Up to Borrowing Limit Rs.11,24,364 Lakhs	Up to Borrowing Limit Rs.6,10,338 Lakhs	Rs 30,000 Lakhs	Rs 75,000 Lakhs	Rs 50000 Lakhs	Rs 50000 Lakhs	Rs.61,849 Lakhs (16749 million Yen)	Rs 10,250 Lakhs (12 million Euro)	Rs 54783 Lakhs	Rs 49914 Lakhs
							(12070.58 MJPY)	(12 M EURO)		
Period (Term)	13 Years (3+10)	18 Years (3+15)	13 Years (3+10)	13 Years (3+10)	13 Years (3+10)	13 Years (3+10)	15 Years (5+10)	15 Years (5+10)	13 Years (3+10)	6.5 Years
Moratorium Period	3 Years	3 Years	3 Years	3 Years	3 Years	3 Years	5 Years	5 Years	3 Years	Nil
Repayment	Repayment is ongoing	Repayment is ongoing	Repayment is Started	Repayment is yet to start	Repayment is yet to start	Repayment is Started	Repayment is Started	Repayment is yet to start	Repayment is Started	Repayment is Started
Purpose of Use	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Capex Funding	Refinancing of Loan	Refinancing of Loan
Rate of Interest (Floating) at year end	10.20%	10.30%	7.88%	7.40%	7.00%	7.35%	0.75%	1.27%	7.00%	6.99%
			With annually reset	With reset Monthly	With reset Monthly	With annually reset			With annually reset	With Quarterly reset
Terms of Payment	Yearly	Quarterly	20 Half yearly	40 Quarterly equal Installment	40 quarterly installment	40 quarterly installment	Semi Annually	Semi Annually	Monthly	Monthly Quarterly & Yearly
Upfront Fees	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Upto 500 Cr - Nil Above 500 Cr - 0.01 % of loan amount	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commitment Charges	Upto 500 Cr -Nil Above 500 Cr - 0.25% P.A. on undrawn Amount of Quarter till the Date of Actual Drawal	Upto 500 Cr - Nil Above 500 Cr- 0.25% P.A. on undrawn Amount of the Previous Quarter from the first day of following Quarter till the Actual Date of Drawal	Nil	Nil	Nil	Nil	Nil	0.20% pa on undisbursed amount	Nil	Nil
Margin Money Requirement (Equity) From 01.04.2017	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	VAT,CST/ ED Paid by MSETCL	GST Paid by MSETCL	Nil	Nil

Foreign Currency Loan

Loan Secured by	JICA (Rs.) in Lakhs	JICA (¥) in Million
Guarantee from Central Government	3201.34	505.17

¥ Japanese Yen

Loan Secured by	KFW (Rs.) in Lakhs	EURO in Million
Guarantee from Central Government	5028.74	5.98

Note No 38 : Contingent Liabilities and Contingent assets

1. Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges, Interest for delayed payments made,under MSME Act, etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of Rs 17864.82 Lakhs (P.Y. Rs.19676.95 Lakhs) has been estimated.

(ii) Land/ Crop compensation & Enhancement in Compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of Rs 10743.04 lakhs (P.Y. Rs.15742.77 Lakhs) has been estimated.

(iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of Rs 1116.49 Lakhs (P.Y. Rs.1074.77 Lakhs) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to Rs 63950.28 Lakhs (P.Y. Rs.731.07 Lakhs) are being contested before various Appellate Authorities. Many of these matters are disposed of in favour of the company but are disputed before higher authorities by the concerned departments.

(v) Financials Guaranttees

MSETCL has provided financial guarantees in the form of Bank Guarantee's amounting to Rs 32.95 lakhs (P.Y. Rs. 116.68 Lakhs) to various Authorities for construction of Transmission Sub-stations and Transmission Lines.

(vi) Others

a) Other contingent liabilities pertaining to Employee claims amounts to Rs 174.11 Lakhs (P.Y. Rs.183.73 Lakhs) .

b) Some of the beneficiaries have filed appeals against the tariff orders of the MERC. The amount of contingent liability in this regard is Rs. 314995.40 Lakhs (PY Rs. 314995.40 Lakhs)

Note 39: Commitments

Expenditures committed for at the end of reporting year is as follows:

(Rs. In lakhs)

a)

Capital Commitments Not Recognised as Liabilities	31.03.2022	31.03.2021
Property, Plant and Equipment	4,19,590.35	3,11,153.00
Less: Capital Advances	(542.09)	(541.29)
Net Capital Commitments	**4,19,048.26**	**3,10,611.71**

(Rs. In lakhs)

b)

Corporate Social Responsibility	31.03.2022	31.03.2021
Unspent CSR Liability	6,765.06	8,138.01

Note 40 :

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

Note 41:

The Company generally makes payment to its creditors within a period of 45 days as stipulated in the Micro, Small and Medium Enterprise Act 2006. The Company has not provided any interest payable to Micro and Small Enterprise as required by the aforesaid Act as claims are pending due to non submission of details/documents from Vendors.

Note 42 :

The group Company's Receivables & Payables are subject to confirmation and reconciliation. These items interalia includes an adjustments. It's long pending inter-unit advise payable balances of Rs 22,697.26 lakhs (Receivables Rs 19,679.53 lakhs upto FY 2017-18 and Rs. 324.29 Lakhs upto FY 2019-20. Payables Rs 40,863.03 lakhs upto FY 2017-18 and Rs.1,838.05 Lakhs upto FY 2019-20 i.e Net payable Rs 22,697.26 lakhs) pertaining to MSEDCL through the Receivable against Transmission Charges from MSEDCL by Rs.21183.50 in FY 2017-18 and Rs.1,513.76 Lakhs in FY 2019-20.

Note 43 :

In accordance with Ind AS 36 - Impairment of assets, impairement analyis of assets of Transmission activity of the Company by evaluation of its Cash Generating Units, was carried out by outside agency in the year 2006-07 and since recoverable was more than the carrying amount thereof, no impairment loss was recognised.

Note 44 :

MSETCL is consistently following its accounting policy regarding recognition of other income on 'accrual basis except when ultimate realization of such income is uncertain' as mentioned in Note no. 2.15 which is in commensurate with applicable accounting standard. As such Delayed Payment Charges (DPC) being part of other income is recognized only to the extent of realized amount. Thus by adopting this policy the accounts of each financial years have been finalized on the basis of which Truing-up (Provisional / Final) is done by MERC as mentioned in clause 37.1 of MYT Regulations 2019 (applicable upto FY 2024-25).

MERC has done truing-up for every financial year based on the accounts and not adjusted the amount of Delayed Payment Charges upto truing up of FY 2014-15 as the same was not accounted for in the accounts. However, MERC while carrying out provisional true-up for FY 2015-16 has reduced ARR by Rs.85,499.00 lakhs towards Delayed Payment Charges related to the earlier financial years including FY 2015-16 which have been not accounted for in accounts as per accounting policy. Apart from this adjustment, MSETCL is entitled for its legitimate ARR of Rs.394,437.00 lakhs as is evident from MERC order dtd. 7th July 2016 in case no. 31 of 2016. To match with this entitled ARR accrued in FY 2016-17, MSETCL has accounted for Rs.75,476.11 lakhs as other income being shortfall in ARR which has resulted on account of adjustment towards DPC in FY 2016-17. Further, MSETCL has filed an appeal before APTEL against the order of MERC in case No 31 of 2016 vide Appeal No 67 of 2017.

Considering the above adjustment, an amount of DPC accumulated as on 31st March 2022 Rs.212115.86 lakhs have not been booked as per consistent accounting policy followed.

Note 45:

Company has made provision of Rs. 1948.61 lakhs in C.Y. (P.Y. Rs 1,355.44 lakhs) u/s 135 (Corporate Social Responsibility) of Companies Act 2013.

(Rs. In lakhs)

Particulars	2021-22	2020-21
Amount required to be spent as per Section 135 of the Companies Act, 2013	8138.01	7,483.15
Add : Provision made during the year	1948.61	1355.44
Amount spent till year end		
Education, Sports and Health	2727.73	40.97
Social Sector, Contribution to relief fund & Agriculture	62.21	216.90
Infrastructure & Electrification	531.62	442.71
Outstanding CSR Liability to be spent	6765.06	8138.01

Note 46 :

In order to facilitate integration & evacuation of large scale renewable energy generation (Solar / Wind) envisaged to come up in renewable energy rich state MNRE & Govt of India has undertaken the Green Energy Corridor for seamless evacuation of Green Energy in 12 th Five Year plan .Under the approved DPR 27 No of transmission elements (220 kV/132 kV transmission Lines with End Bays) are sanctioned under various zones. The original cost of scheme was Rs. 367 Cr.

The said scheme is proposed to be financed as -

MSETCL Equity - 20 % (same is being funded through Government of Maharashtra (GoM) as grant)

National Clean Energy Fund (Grant) - 40 %

KFW (German Development Bank) Loan - 40 % (12 Million EUROs)

Company has entered into an agreement for loan of EUR 12,000,000 from KFW ("Credit Institute for Reconstruction") German Bank In the year 2017 (from date 1-Dec-2017 to date 30-Nov-2022 disbursals).The said loan will be utilized for Green Energy Corridor (GEC) Intra State Transmission System in Maharashtra. As per the terms of loan agreement MSETCL has to make claim payment then the same shall be claimed from Kfw. The disbursement of loan depends upon the progress of work of project. Upto 31-Mar-2022 the Company has received loan amount of EURO 59,82,178 (P.Y. EURO 51,95,578) (Rs.50,28,73,828) (P.Y. Rs.44,74,24,974)

As per clause 3, of Loan Agreement Borrower has to pay non refundable Commitment Fee of 0.20% per annum on undisbursed Loan amount. MSETCL has lodged its first claim for disbursement of loan with Office of CAAA which in turn lodge the same with KfW , Germany. The first disbursement was made by KfW on 8-May-2019 before which nothing was requested as no billing was made by vendors related to work allocated for kfw loan . Kfw has charged the Commitment fee Rs. 11.40 lakhs (P.Y. Rs.14.57 Lakhs) which is charged to P&L.

As per agreed procedure, the claimed approved by KfW was disbursed to Central Government which is in turn transfer to State Government. Subsequently, State Government (GOM) on receipt of fund , transfer the claim amount to Company if budget Provision exist. If budget provision does not exist then State Government can transfer it by including amount in supplementary budget. Vide GOM Gr dated 6th Sept .21 and 17th Feb 22, GOM has sanctioned an amount of Rs.620.35 Lakhs (P.Y. Rs.2351.30 Lakhs) and Rs. 312 Lakhs (P.Y. Rs.1538.50 Lakhs) respectively during F Y 2021-22 .

As per term of agreement, all liabilities related to loan will be finally fall upon company, hence Company has paid interest amount to kfw and same has been capitalized to GEC and as on 31-Mar-2021 as project is in progress. Company showing balance claim amount of Rs. 246.15 Lakhs (P.Y. Rs.372 Lakhs) in books as loan from KfW and receivables from State Government (GoM).

Also forex gain on translations at the year end is also credited to P&L amounting to Rs.132 Lakhs (P.Y. Rs.108 Lakhs) as the exchange risk lies with Company.

As the cost of GEC project got reduced from Rs. 36700 Lakhs to Rs. 16872 Lakhs (awarded cost) , the amount of equity also got reduced. Accordingly Company had refunded grant amount of Rs. 3500 Lakhs during FY 2019-2020 received against equity from GoM for said project.

Note 47 :

Designated Current Account operated and maintained in terms of MERC Regulation pertaining to Thrid Party Liabilities

MSPC UI (Unscheduled Interchange) Settlement Op. Account (FBSM Pool Account), MSPC (Maharashtra State Power Committee) Reimbursement Op. A/C, MSLDC RE-DSM Op. Account (RE-SDM Pool Account) and MSLDC DSM Pool Op. Account (DSM Pool Account).

The Maharashtra Electricity Regulatory Commission (MERC) had issued a Suo Moto Order in case number of 42 of 2006 on 17th May, 2007 whereby it introduced the Weighted Average System Marginal Pricing (WASMP) based Balancing and Settlement Mechanism. The Maharashtra State Load Despatch Centre (MSLDC) had prepared the Balancing and Settlement Code (BSC) 4th July, 2009 which was approved by the MERC vide its letter dated 26 August, 2009. The BSC was operationalised in the state from 1st August, 2011.

The MERC vide Various Regulations has directed the MSLDC to operate and maintain MSPC UI Settlement Op. Account (FBSM Pool Account),MSPC Reimbursement Op. A/C, MSLDC RE-DSM Op. Account (RE-SDM Pool Account) and MSLDC DSM Pool Op. Account (DSM Pool Account). MSLDC have been assigned the function to maintain there various Regulatory Fund Accounts under the respective Regulations issued by MERC. MSLDC is to manage these Funds as Custodian of these funds as Nodal Agency till some other entity is identified by MERC.

As per MERC order in case no. 42 of 2006 dt. 17.05.2007 clause no. 5.1(g) MSLDC on behalf of State Pool Participants shall collect on weekly basis and make payment towards Settlement of UI (Unscheduled Interchange) charges. Accordingly, MSPC UI Settlement Operative Bank Account is opened in Bank of Maharashtra, Airoli Branch on dt. 11.11.2008,bearing Account No. 20130402907. As per clause No. 5.1(g) MSPC shall open and maintain a bank account to receive/release payments in respect of settlement among State Pool Participants. Also MSLDC had opened one Current Bank Account (New) with Bank of Maharashtra, Airoli Branch on dt. 11.11.2008, bearing Account No. 60029434202 to meet expenditure of MSPC which will be shared by the State Pool Participants i.e. all Distribution Companies in the Intra State.

The MERC has formulated F&S Regulations, namely, Maharashtra Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2018. These Regulations are intended to facilitate Grid integration of Wind and Solar energy generated in Maharashtra while maintaining Grid stability and security as envisaged under the State Grid Code and the Act, through forecasting, scheduling and a mechanism for the settlement of deviations by such generators. MERC has notified RE-DSM Regulations on 20.07.2018 and which was to be implemented from 01.07.2019. For that purpose one Current Bank Account (New) was required for Deviation Charges. As per the roles and responsibilities of MSLDC under MERC approved procedure for RE-DSM, vide section 5.5, MSLDC is “To maintain State Deviation Settlement Account for wind and solar generations”. In this Account Deviation charges amount will be credited as well as amount will be disbursed from this Bank Account. This bank account needs to be opened in the name of MSLDC and PAN and GST no. of MSETCL shall be used. Accordingly, MSLDC has opened 2nd Third Party Bank Account with Bank of Maharashtra, Airoli Branch on dt. 30.05.2019, bearing Account No. 60331835878.

The MERC had issued a Suo- Motu order in Case No. 42 of 2006 on 17 May, 2007, whereby it introduced the WASMP based Balancing and Settlement Mechanism in Maharashtra. The MERC decided to review the existing Balancing and Settlement Mechanism and to introduce the Deviation Settlement Mechanism in Maharashtra. Subsequently, MERC has notified DSM Regulations on 01.03.2019 and which was to be implemented from 01.04.2020. For that purpose one separate Current Bank Account (New) was required for Deviation charges. As per clause 15 (B) of DSM Regulations, “All payment on account of Charges for Deviation including Additional Charges for Deviation levied under these Regulations and interest, if any, received for late payment shall be credited to the funds called “State Deviation Pool Account” which shall be maintained and operated by the MSLDC in accordance with the provision of these Regulations. In this account, Deviation charges amount will be credited as well as amount will be disbursed from this bank account. This bank account needs to be opened in the name of MSLDC and PAN and GST no. of MSETCL shall be used.

Accordingly, MSLDC has opened 3rd Third Party Bank Account with Bank of Maharashtra, Airoli Branch on dt. 31.12.2019, bearing Account No. 60349865315.DSM Billing through DSM software actually started on 11.10.2021.For this purpose,as per approved office note dt 28.09.2021 4th Third Party current A/c bearing A/c number 60396224159 , Namely "MSLDC DSM POOL OPERATIVE A/C for Link with online bill desk payment Gateway opened & current A/c number 60349865315 is renamed as MSLDC DSM Corpus A/c to sort the reconciliation issues of corpus refunded,forfeitted & adjustments.

An amount of surplus funds in the State Deviation Pool Account at the end of the financial year shall be utilized for the purpose of improvements in power system operations, for undertaking such measures and studies for improvement in reliability, security and safety of grid operations, undertaking capacity building and training programs related to system operations and market operations and for such other purposes as may be specified by MERC or for other schemes as may be devised in consultation with National Load Despatch Centre, or Regional Load Despatch Centre, with prior approval of the MERC.

Provided that, the short fall in funds in the State Deviation Pool Account; if any, at the end of the weekly settlement period shall be recovered by levy of additional charges from the State Entities in proportion to Net Deviation Charges Payable by concerned State Entity for the applicable weekly settlement period through supplementary bills.

Provided further that MSLDC shall prepare scheme (S) and shall submit annual plan for utilization of surplus funds and implement the scheme (S) only upon approval of the MERC.

As per Clause 1(2), These DSM Regulations except commercial arrangements, Deviation Charges, Additional Charges for Deviation and penal action shall come into force on the date of notification in these Regulations in the Official Gazette. Provided that the commercial arrangements specified under Clause (9) and (10) of these DSM Regulations, and the related provisions regarding Deviation Charges, Additional Charge for Deviation and penal actions if any shall come into force from date to be notified separately through Order, which shall not be later than 1st April 2020. Provided further that until notification of such date as referred here in above under first proviso, the Final Balancing and Settlement Mechanism (FBSM) as approved by Commission under Order in Case 42 of 2006 along with relevant amendments from time to time shall be in operation for the purpose of energy accounting and deviation settlement.

These funds are equally matched with fund balance in the Third Party Bank Accounts in the current account. As on 31.03.2022 the total balance in these designated Third Party Bank Accounts was amount to Rs. 22,209.10 Lakhs (Previous Year Rs. 20,116 Lakhs) as against the Third Party liability in these funds amounting to Rs. 22,209.10 Lakhs (Previous Year Rs. 20,116 Lakhs).These total amount of Rs 20116 Lakhs (opening balance of third party Account) bifurcated as REDSM Current A/c, DSM current A/c, Designated Current A/c & MSPC reimb current A/c on 1.04.2021 .Further DSM current A/c renamed as DSM corpus A/c & additional current A/c namely MSLDC DSM POOL Operative A/c opened .Total of five current A/c have closing Balance as on 31.03.2022 Rs 22,209.10 Lakhs.

Note 48 :

Due to outbreak of COVID-19 globally and in India, the Company has made initial assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company is in the business of transmission of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The availability of transmission of electricity as per the demand of the Distribution Licensees is important. Hence, the Company has ensured not only the availability for transmission of electricity but has also continued the same during the period of lockdown, considering essential service as declared by the Government of India.

On long term basis also, the Company does not anticipate any major challenge in meeting its financial obligations. Basis above, the management has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Company believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due.

Note 49 :

Prior Period Income of Rs.9.80 Lakhs (P.Y. Rs.881.78 Lakhs & Reversal of Income Rs.3355.90 Lakhs) & Prior Period Expenses of Rs. 38706.29 lakhs (P.Y. Rs 1529.26 lakhs) [R&M Rs.41548.65 lakhs (P.Y. 0.05 lakhs), Employee related Rs.Nil (P.Y. Rs 19.04 lakhs), Admin related Rs.8.69 lakhs (P.Y. Rs 12.09 lakhs) and Depreciation(Net) Rs. -2851.05 lakhs (P.Y. Rs 1498.08 lakhs)] have not been recasted.

Note 50 :

To meet the emergency situations arising due to failure of equipments, Company had framed a policy wherein certain equipments are to be kept as critical spares at sub-stations levels. Hence, certain materials used as Standby equipment's (Critical Spares) were earlier treated as Inventory. However, as per Ind AS 16 policy such items are to be treated as Property Plant and Equipments . MSETCL adopted a policy in this context that Standby equipment and servicing equipment (Spare parts) whose cost is Rs.10,00,000/- and above,which meets the recognition criteria of Property, Plant and Equipment are capitalized. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

Maharashtra Electricity Regulatory Commission vide their notification dt 12.06.2022 notified MERC(Approval of Capital Investment Schemes) Regulations, 2022. Wherein as per the recent MERC Capex Regualtion 2022 clause no 3.19 , regulation has not allowed the following as Capital investment Schemes to Transmission Licencees

(a) Replacement/Repairing of Individual items such as CT, PT, LA, CB , Relays under Sub-station equipments, replacement of panel meters, etc...

(g) Procurement of maintenance spares, Annual Maintenance Contract (AMC);

considering the above mentioned procedure adhered, the items of CT, PT, LA, CB , Relays under Sub-station equipments, replacement of panel meters which are treated as PPE as per Ind AS 16 seems to be in contravention to MERC Regulation. Moreover as per the Electricity Act 2003 Section 174 (Act to have overriding effect) , the provision of this Act shall have effect notwithstanding anything incosistent therewith contained in ant other law for the time being in force or in any instrument haveing effect by virtue of any law other than this Act. In addition to this , during the True-up for FY 2018-19, MERC vide its Order No 302 of 2019 Dt 30.03.2020 ,has disallowed the capitalization of such critical spares to the tune of Rs 98.99 cr mentioning it that these items are not of put to use nature.

Considering this trend, during the True-up for FY 2019-2020 and FY 2020-21 , MERC can also disallow the capitalisation of these critical spares to the tune of Rs 260.56 cr (Rs 61.37 crs in FY 2019-2020 and Rs 199.18 cr in FY 2020-21) as the same are not of put to use nature.

This would cause a revenue loss to MSETCL as the financials would not represent the cost of such critical spares as R&M (which will result in payment of Income Tax), while MERC would not allow the same as capex expenditure also (causing loss of revenue due to non consideration of tariff component on the same). Hence, MSETCL has decided to adhere the MERC Capex Regulation with retrospective effect (From 2015) to have appropriate impact of increased R&M in its upcoming Trueup Petition to MERC.

Hence, Spare parts, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment which were capitalized by the Company in previous years (from FY 2015-16 till FY 2020-21) are withdrawn in Current Year (Rs 44439.58 lakhs alongwith its accumulated depreciation Rs 6865.56 lakhs) due to the introduction of MERC Capex Regualtion 2022, wherein any replacement scheme and procurement of Standby spares would not be allowed as Capex Scheme and which needs to be carried out under R&M Scheme. Hence, from FY 2021-22, the Company follows the MERC Regulation as, being an Regulatory Business, the ARR is approved by MERC. The yearly impact given as per the previous policy are reversed in FY 2021-22 as follows, which is disclosed as exceptional items in the standalone statement of profit and loss for the year under report.

Overall Impact on Balance Sheet	Effect	Impact	Rs in lakhs
Property, Plant and Equipment	Cr	Decrease	44,439.58
Inventory	Dr	Increase	2,890.94
Deferred Tax Asset	Dr	Reversal	13,804.49
Accumulated Depreciation	Dr	Reversal	6,869.57
Overall Impact on P&L A/c			-
R&M	Dr	Decrease in Profit	41,548.65
Deferred Tax Asset	Cr	Reversal	13,804.49
Depreciation (P&L)	Cr	Increase in Profit	6,869.57

Note 51 : Additional disclosure as per amended schedule III (Division II) of the Companies Act 2013

i) There are no amount of dividends proposed to be distributed to equity shareholders for the year ended March 31, 2022

ii) There are no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions for the year ended March 31, 2022.

iii) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2022.

(iv) The Company has not granted any Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties either severally or jointly with any other person during the year ended March 31, 2022.

iv) The Company does not have any Intangible assets under development for the year ended March 31, 2022.

v) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

vi) The Company has not raised any borrowings from banks or financial institutions on the basis of security of current assets during the year ended March 31, 2022.

vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

viii) The Company has transactions with struck off companies. - Refer Note no.53

ix) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.

x) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

xi) Financial Ratios - Refer Note no.54

xii) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act during the year ended March 31, 2022.

xiii) Utilisation of borrowed funds and share premium :

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

xiv) There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending March 31, 2022 and March 31, 2021 which needs to be recorded in the books of account of the Company.

xv) The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2022.

xvi) Information with regard to other matters as required by Schedule III of the Companies Act,2013 are either Nil or Not Applicable to the company.

Note 52 :

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

Note No.53 :

The Company has transactions with the following Companies Struck Off under Section 248 of the Companies Act, 2013, identified based on the data available with the Company.

(Rs. In lakhs)

Name of the Struck Off company	Nature of Transaction with Struck Off Company	Balance Outstanding as at 31st March 2022	Relationship with the Struck Off Company	Balance Outstanding as at 31st March 2021	Relationship with the Struck Off Company
SHREE RENUKA ENERGY LIMITED*	Receivables	0.15	Customer	0.15	Customer
HINDUSTHAN VIDYUT PRODUCTS LIMITED	Payables	10.82	Vendor	10.82	Vendor
BENNETT COLEMAN & CO. Limited	Payables	0.42	Vendor	0.22	Vendor
G R POWER SWITCH GEAR Private Limited	Payables	-95.22	Vendor	-95.22	Vendor
PYROTECH ELECTRONICS PRIVATE LIMITED	Payables	0.48	Vendor	0.24	Vendor
SCT LIMITED*	Payables	1.02	Vendor	1.02	Vendor

*Includes Companies which are "Amalgamated" / "Not available for efiling" as per MCA master data

Note 54: Ratio Analysis

Particulars	Formulas	As at 31.03.2022			As at 31.03.2021			% of Variance	Reasons for variance in ratio (> 25%) as compare to previous year
		Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Ratio	Numerator (Rs in lakhs)	Denominator (Rs in lakhs)	Ratio		
(a) Current Ratio (in times)	= Current Asset / Current Liabilities	4,58,249.85	1,78,575.30	2.57	4,12,927.93	1,97,844.38	2.09	22.95	
(b) Debt-Equity Ratio (in times)	= (Short term Debt + Long term Debt + Other Fixed Payments)/Shareholders Equity	5,01,711.57	13,25,088.01	0.38	5,38,787.31	12,31,133.24	0.44	-13.48	
(c) Debt Service Coverage Ratio (in times)	= EBITDA / (Interest + Principal Repayments + Lease Liability Payments during the period)	2,84,381.38	1,55,067.39	183%	3,41,738.45	1,64,578.80	208%	-11.68	
(d) Return on Equity Ratio (ROE) (%)	= (Net Profit after Tax - Preference Dividend , if any) / Shareholders Equity	96,901.63	13,25,088.01	7%	1,07,852.33	12,31,133.24	9%	-16.52	
(e) Inventory turnover ratio (in number of days)	= Net Sales / Avg Inventory	4,86,379.78	23,619.75	21	4,77,397.34	20,432.23	23	-11.87	
(f) Trade Receivables turnover ratio (in number of days)	= Revenue from Operations / Average Accounts Receivables	4,86,379.78	3,10,164.80	2	4,77,397.34	2,80,516.87	2	-8	
(g) Trade payables turnover ratio (in number of days)	=Total O&M Expenses / Average Trade Payables	1,21,038.01	27,088.92	4	48,334.07	34,406.16	1	218.06	Due to exceptional items of Rs. 34679 Lakhs (R&M Rs.41549 Lakhs & Depreciation Rs.-6870 Lakhs)
(h) Net capital turnover ratio (in times)	= Revenue from Operations/ Working Capital (Current Assets - Current Liabilities)	4,86,379.78	2,79,674.55	1.74	4,77,397.34	2,15,083.55	2.22	-21.65	
(I) Net profit ratio (%)	=Net Proft / Revenue from Operations X 100	94,755.42	4,86,379.78	19%	1,08,055.44	4,77,397.34	23%	-13.93	
(j) Return on Capital employed (ROCE) (%)	= (Profit before tax + interest expenses) / Capital Employeed	1,62,423.54	20,73,473.76	8%	2,19,982.3	20,29,419.93	11%	-27.73	PBT for F.Y. 2021-22 has reduced by Rs. 34679 Lakhs (R&M Rs.41549 Lakhs & Depreciation Rs.-6870 Lakhs) exceptional items resulting in reduction of ROCE as compared to P.Y.
(k) Return on investment.(ROI)(%)	= (Interest Income + Dividend Income) / Average of (Investment + Fixed Deposits + Loans given)	11,134.40	1,42,050.93	7.84%	9,067.28	1,37,252.18	6.61%	18.65	

MAHATRANSCO

Maharashtra State Electricity Transmission Co. Ltd.

(CIN No. U40109MH2005SGC153646)

Maharashtra State Electricity Transmission Co. Ltd.

REGISTERED OFFICE

Prakashganga, Plot No. C-19, "E" Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Website: www.mahatransco.in