

# **ANNUAL FINANCIAL STATEMENTS**

## **Year 2018-19**



**MADHYA PRADESH PASCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

(Wholly Owned By Government of Madhya Pradesh)

(A Subsidiary of M.P Power Management Company Limited, Jabalpur)

Registered Office: GPH Compound, Polo Ground, Indore

Website: [www.mpwz.co.in](http://www.mpwz.co.in), CIN: U40109MP2002SGC015121, E-Mail ID: ddactwz@gmail.com

Ph. No: 0731-2426276, 2426105, FAX: 0731-2423300



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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### **NOTICE OF 17<sup>TH</sup> ADJOURNED ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 17<sup>th</sup> Adjourned Annual General Meeting of Madhya Pradesh Paschim Kshetra Vitaran Company Limited, Indore will be held on Wednesday the 04<sup>th</sup> day of March, 2020 at 12:30 PM at the registered office of the company situated at GPH Compound, Polo Ground Indore, to transact the following business :

#### **ORDINARY BUSINESS:**

- (1) **To receive consider and adopt the Audited Financial Statement, Statement of Profit and Loss for the year ended on 31<sup>st</sup> March 2019, the Balance Sheet as at that date & Cash Flow statement and Directors and Auditors Report thereon.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Financial Statements, the Audited Balance Sheet as at 31<sup>st</sup> March, 2019 and Statement of Profit and Loss & Cash Flow Statement of the Company for the year ended on 31<sup>st</sup> March, 2019 together with the Directors' Report, the Auditors Report and the comments of the Comptroller and Auditor General of India and replies thereon be and are hereby received, considered, approved and adopted."

Place: INDORE

By order of the Board of Directors

Date : 29<sup>th</sup> February2020

Company Secretary

#### **NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote at the meeting instead of himself and proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A Proxy Form is enclosed.
2. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and holidays between 11.00 a.m. and 5.00 p.m. up to the day of the Adjourned Annual General Meeting.
3. Pursuant to Section 101 (1) of the Companies Act, 2013 consent to hold the Adjourned Annual General Meeting at a shorter notice has been given by the requisite number of members of the company in writing.
4. Members are requested to notify the change, if any, in their address at the Registered Office of the Company.





## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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### **NOTICE OF 17<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 17<sup>th</sup> Annual General Meeting of Madhya Pradesh Paschim Kshetra Vitaran Company Limited, Indore will be held on Thursday the 24<sup>th</sup> day of October, 2019 at 05.00 P.M. at the registered office of the company situated at GPH Compound, Polo Ground, Indore, to transact the following businesses:

#### **ORDINARY BUSINESS:**

- (1) To receive consider and adopt the Audited Financial Statements, Statement of Profit and Loss for the year ended on 31<sup>st</sup> March 2019, the Balance Sheet as at that date & Cash Flow Statement, Auditors Report thereon and the Board's Report**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Financial Statements, the Audited Balance Sheet as at 31<sup>st</sup> March, 2019 and Statement of Profit and Loss & Cash Flow Statement of the Company for the year ended on 31<sup>st</sup> March, 2019 together with the Board's Report, the Auditors Report and the comments of the Comptroller and Auditor General of India thereon be and are hereby received, considered, approved and adopted."

- (2) To take note of the appointment of Statutory Auditors of the company for the financial year 2019-20 by the Comptroller and Auditor General of India**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 139 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, appointment of M/s Khandelwal Kakani & Co., Chartered Accountants, Indore as Statutory Auditors of the company for the year 2019-20, by the Comptroller and Auditor General of India be and is hereby noted;

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to pay remuneration of Rs.6,00,000/- (Rupees Six Lacs only) to the Statutory Auditors and reimbursement of their actual out-of-pocket expenses shall remain upto Rs.50,000/- (Rupees Fifty Thousand only) for the Financial year 2019-20."



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### **SPECIAL BUSINESS:**

#### **(3) Ratification of Remuneration of Cost Auditor**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs.17,990/- (Rupees Seventeen Thousand Nine Hundred Ninety Only) plus applicable tax, payable to M/s Sorabh Sethi & Co., Cost Accountants, Lucknow, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2019-20;

**RESOLVED FURTHER THAT** the Managing Director/Director/Chief Financial Officer/Company Secretary be and are hereby severally authorized to file required returns/forms/documents with Registrar of Companies and to take necessary action in this regard including engagement of practicing professional for certification purposes."

Place : INDORE

By order of the Board of Directors

Date : 19.10.2019

Company Secretary



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote at the meeting instead of himself and proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A Proxy Form is enclosed.
2. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and holidays between 11.00 A.M. and 5.00 P.M. up to the day of Annual General Meeting.
3. Pursuant to provisions of section 139 of the Companies Act, 2013 the Statutory Auditors for the Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013 and the remuneration of the Auditors appointed by the C&AG of India under Section 139 of the Act shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine.
4. Pursuant to Section 101 (1) of the Companies Act, 2013 consent to hold the Annual General Meeting at a shorter notice has been given by the requisite number of members of the company in writing.
5. Members are requested to notify the change, if any, in their address at the Registered Office of the Company.
6. A statement pursuant to the provisions of Section 102 of the Companies Act, 2013 is annexed hereto as "Annexure to the notice"



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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### **ANNEXURE TO THE NOTICE**

#### **Statement in respect of the special business pursuant to the provisions of Section 102 of the Companies Act, 2013**

##### **Item no. 3**

The Board has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the company for the financial year 2019-20 as per the following details:

Name of the Cost Auditor	Audit Fees
M/s Sorabh Sethi & Co., Cost Accountants, Lucknow	Rs.17,990/- (Rupees Seventeen Thousand Nine Hundred Ninety Only) plus applicable tax

Pursuant to the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out for ratification of the remuneration payable to the Cost Auditor for the financial year 2019-20.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Your directors recommend this Ordinary Resolution for your approval.

Place: INDORE

FOR AND ON BEHALF OF THE BOARD

Date :19.10.2019

Company Secretary



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

**FORM NO. MGT-11**

## Proxy form

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN:U40109MP2002SGC015121

Name of the company : MADHYA PRADESH PASCHIM KSHETRA VIDYUT VITARAN COMPANY LTD.

Registered Office : G.P.H. COMPOUND, POLO GROUND, INDORE

Name of the member(s) :

Registered address :

E-mail ID :

Folio No. : \_\_\_\_\_

I/We, being the member(s) of ..... shares of the above named company

Name \_\_\_\_\_

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Signature \_\_\_\_\_

Name \_\_\_\_\_

#### Addressees

Email ID:

**Signature :**

Name \_\_\_\_\_

Address : .

Email ID :

Signature : ..



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday the 24<sup>th</sup> day of October, 2019 at 05.00 PM situated at GPH Compound, Polo Ground, Indore and at any adjournment thereof in respect of such resolutions as are indicated below :

### **Ordinary Business**

- (1) To receive, consider and adopt the Audited Financial Statement, Statement of Profit and Loss for the year ended on 31<sup>st</sup> March 2019, the Balance Sheet as at that date & Cash Flow Statement, Auditors Report thereon and the Board's Report.
- (2) To take note of the appointment of Statutory Auditors of the company for the financial year 2019-20 by the Comptroller and Auditor General of India and to fix the remuneration of auditors.

### **Special Business**

- (3) Ratification of remuneration of Cost Auditor.

Signed this ..... day of ..... 2019

Signature of Shareholder

Signature of Proxy holder (s)

Affix
Revenue
Stamp



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

### **BOARD'S REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their 17<sup>th</sup> Annual Report together with Audited Financial Statements of the Company for the year ended on 31<sup>st</sup> March, 2019.

#### **(1) HIGH LIGHTS OF FINANCIAL RESULTS:**

(Rs. In Crores)

	<b>Financial Year ended on 31/03/2019</b>	<b>Financial Year ended on 31/03/2018</b>
<b>Total Income</b>	<b>13993.92</b>	12,493.34
<b>Total expenditure</b>	<b>14571.60</b>	13,051.87
<b>Profit / (Loss) Before Exceptional Items and Tax</b>	<b>(577.68)</b>	(558.52)
<b>Exceptional Items (Income) / Expenses</b>	<b>(153.40)</b>	188.40
<b>Profit/ (Loss) Before Tax</b>	<b>(424.28)</b>	(370.13)
<b>OCI</b>	<b>140.97</b>	237.72
<b>Profit/(Loss) For The Period</b>	<b>(565.25)</b>	(132.40)

#### **(2) REVIEW OF OPERATIONS:**

During the year under review, the Company has earned a total income of Rs.13993.92 Crores as against the total income of Rs.12,493.34 Crores in the previous year. Further, the company has incurred a loss of Rs.565.25 Crores as against a loss of Rs.132.40 Cores in the previous year.

#### **(3) DETAILS OF OPERATIONS ACTIVITY AND KEY PROJECTS UNDERTAKEN BY DISCOM ARE DESCRIBED BELOW:**

##### **(A) Operations cell and Discom Control Centre activities:**

- (a) The Operations cell O/o MDWZ undertakes various tasks for the improvement of the Discom's performance in the area of power supply reliability, outage management and network maintenance activities etc.
- (b) The Operations cell regularly monitors the supply hours and loading of all 33 KV and 11 KV feeders of Discom through RFMS, Web-SCADA and SHMS. The operation cell also provides fortnightly loading data of all 33 KV & 11 KV feeders to the planning cell and according to the load growth of the system, advises to the planning cell for enhancement of power transfer capacity and system strengthening to deliver uninterrupted quality electricity supply to consumers.



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- (c) Discom Control Centre headed by CE (Operation) forecasts the day ahead, month ahead and year ahead requirement of power of the company with consideration of the weather & field conditions and submit the same to the Power Management Company for the arrangement of power accordingly. The DCC in coordination with SLDC, Jabalpur controls the load in real time for maintaining the grid stability and reliability in such a manner that uninterrupted 24 hours power supply to Non-irrigation and 10 hours to Irrigation consumers could be delivered.
- (d) Operation cell undertakes various activities relating to Energy-Audit also. The input to the company is from Ex-bus generator to 33 KV Interface point of Discom (i.e. 33 KV incoming points of EHV transformer of Transco) & injection of RE Generators (Solar, Wind & Biomass etc.). The Power purchase bills, Transmission Charges bills, SLDC charges bills etc. are verified by the Operations Cell, for subsequent Payment/Adjustment by the Finance Section of the Company. The Energy input at 33/11 KV S/s & feeder wise input on 11 KV is also audited by the Operations Cell.
- (e) In operation cell, it is also proposed to establish a round the clock "Input Monitoring Cell" for 11 KV feeder level input monitoring.

### **(B) Projects:**

Your Company has been executing, several projects for strengthening electricity distribution network. Some of important projects are mentioned below:

#### **(a) DDUGJY Scheme**

The DDUGJY Scheme has been launched by the Government of India covering all aspects of rural power distribution including intensive electrification, Metering and Feeder Separation work. Under this scheme, 60% of the project cost is provided as grant by the Government of India on achievement of prescribed milestones. All unelectrified villages irrespective of the population criteria are covered for electrification, in accordance with the guidelines of the scheme. All erstwhile ongoing rural electrification schemes such as RGGVY have been included in DDUGJY. The turnkey contractors have been given awards for electrification work in all 15 districts. The company has achieved 88% financial progress under the scheme in 58 substations. Extensive electrification has been done by the company by laying of 355 Kms. of 33 KV line, 5827.4 Kms. of 11 KV line and 9072 Kms. of LT line. Further, the company has completed the installation of 206078 meters.

#### **(b) R-APDRP scheme**

Ministry of Power, Government of India, as a part of reforms in the Power Sector, as launched the *Restructured Accelerated Power Development and Reforms Programme (R-APDRP)* as a Central sector scheme on July, 2008. The focus of the program is on the actual demonstrable performance in terms of AT&C loss reduction, establishment of the reliable and



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automated sustainable systems for collection of base line data, adoption of information technology in the areas of energy accounting, consumer care and strengthening of Distribution network of State Power Utilities. The scheme also envisage establishment of supervisory control & data acquisition system/ distribution management system in large towns, capacity building, incentive scheme for distribution personnel etc.

The Company is implementing R-APDRP scheme for reduction in AT & C losses up to 15% in selected towns. The RAPDRP scheme is being implemented in two parts as Part-A and Part-B. Part-A includes the projects for establishment of baseline data and IT applications for energy accounting/auditing and IT based consumer care centers, whereas Part-B includes regular distribution strengthening projects.

The financial support for implementation of Part A & Part-B of the scheme has been availed from PFC, the nodal agency and counter funding of the same has been done by REC, New Delhi.

### **(c) Feeder Separation scheme**

The demand for electricity in rural areas is increasing rapidly due to an increase in the customer base and changes in lifestyle and consumption patterns, which calls for continual strengthening and augmentation of the distribution network. However, the poor financial health of distribution utilities has resulted in under-investment in the distribution network, leading to poor upkeep and maintenance of assets, particularly in rural areas. As a result, strengthening and augmentation of the sub-transmission and distribution infrastructure has become necessary to ensure reliable and quality power supply in rural areas. A key step in this direction is feeder separation between different consumer categories.

Feeder separation refers to the supply of electricity to agricultural and non-agricultural consumers (domestic and non-domestic) separately through dedicated feeders. This arrangement allows the distribution company to regulate power supply to agricultural consumers as and when needed for effective Demand Side Management (DSM). The core objective of feeder separation is to provide regulated supply to agricultural consumers and continuous supply to non-agricultural consumers in rural areas.

Your company has implemented the feeder separation scheme in order to improve voltage profile, minimize transmission and distribution losses, supply of power for 24 hours to non irrigation consumers and 10 hours to irrigation consumers. The company has availed financial assistance from ADB and REC, New Delhi. Under this scheme, the company proposed to separate 2853 feeders and 100% target was achieved on the month of June, 2017.



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### (d) Saubhagya Yojna

Pradhan Mantri Sahaj Bijli Har Ghar Yojna (Saubhagya Yojna) had been launched by Hon'ble Prime Minister of India on 25<sup>th</sup> September, 2017, which aims to ensure electrification of households in the country for economical weaker families residing in village and sub urban areas without taking any charges. All the beneficiaries were identified and served connection on the basis of SECC 2011 data. In areas where it was technically not feasible to provide electricity from grid, solar kits were installed in 1530 houses. In January, 2018, Indore, Mandsaur and Neemuch, in March, 2018, Agar, in April, 2018, Dewas, Khandwa, Ratlam and Ujjain, in May, 2018, Dhar and Shajapur, in June, 2018, Jhabua and Alirajpur, in July, 2018, Badwani, Burhanpur and Khargone districts were declared electrified for 100% households under Saubhagya Yojna. The Company has achieved 100% household electrification with 4.04 Lakh connections within 10 months of launching of the scheme and became the first Discom in the country to complete Saubhagya Yojna. The achievement of Discom has been acclaimed by Ministry of Power, Government of India by awarding Saubhagya Award for grant of 100 Crores for System Strengthening Works and 50 Lacs for welfare of employees of the company.

### (e) Integrated Power Development Scheme (IPDS)

The Government of India has launched Integrated Power Development Scheme (IPDS) for the Urban areas having population above 5000 according to Census-2011 on 3<sup>rd</sup> December, 2014. Power Finance Corporation Limited is the Nodal Agency for operationalization and implementation of the scheme under the overall guidance of the Ministry of Power. The main objectives of scheme are :

- (i) Providing access to electricity for all urban households;
- (ii) 24x7 power supply for consumers in urban area and
- (iii) Reduction of AT&C losses as per trajectory (discom-wise) finalized by the Ministry of Power in consultation with States;

Further, the main Components of IPDS are detailed as under:

- (i) Strengthening of Sub-transmission and Distribution network in urban areas,
- (ii) Metering of distribution transformers/feeders/consumers in urban areas.
- (iii) IT enablement of distribution sector and strengthening of distribution network.

The IPDS is being implemented in 15 circles under the jurisdiction of the company. The amount sanctioned for implementation of projects under IPDS for system strengthening works in 111 towns of the company is Rs.523.67 crores, for IT enablement works in 87 towns is Rs.15.06 crores, for ERP system is Rs.7.97 crores and for setting up of 6 Nos. GIS sub-stations is Rs.29.67 crores. In order to implement smart metering works for 3.45 lacs consumers, a project amounting to Rs.220.80 crores has been sanctioned under IPDS. PFC has sanctioned the recommended financial assistance of Rs.69.09 crores @Rs.2000/- per node under the smart metering projects. Further, PFC has also



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sanctioned an amount of Rs.3.27 crores for appointment of Project Management Agency for supervision and monitoring of the project works under IPDS. In addition, a smart meter project in Indore city is under progress, where 1.20 lacs of meters are being installed on high loss feeders. This project is scheduled to be completed by December, 2019.

### **(f) ERP Project**

The Company has implemented the Enterprise Resource Planning (ERP) application systems. This implementation is across key offices in the company under loan facility of Asian Development Bank (ADB) for the Company. The purpose of this project is to implement a state-of-the-art integrated application system so as to be able to carry out the tasks in the Project Planning, Procurement, Material Management/Stores, Human Resource Management and Finance/Accounting in a more streamlined manner.

### **(g) ADB Loan Projects**

The Company has been executing various projects through ADB Loans for system strengthening, loss reduction & voltage improvement. Under ADB Loan 3066, wherein work of 40 Nos. new 5 MVA 33/11 KV Sub-Station has been completed, 48 Nos. 33 KV Feeder Separation work has been completed, Augmentation of 100 Nos. Transformer from 3.15 to 5 MVA, Augmentation of 11 Nos. Transformer from 5 to 8 MVA and installation work of 57 Nos. Additional 5 MVA Transformer has been completed at existing 33/11 KV Sub-Station. The work of installation of 1221 Nos. 100 KVA DTR has been completed alongwith laying of new 421.38 kms 11 KV lines and new 504.82 kms LT lines. Till date, under ADB loan 3066, the company has expended an amount of Rs.189.65 cores. Apart from it, material procurement of 100 KVA DTR and XLPE cable are under process from the savings of ADB Loan 3066.

## **(4) SHARE CAPITAL:**

During the year under review, the Authorized Share Capital of the Company was increased from Rs.5500 crores to Rs.7500 crores vide Special Resolution passed by the members of the company at the Extra-Ordinary General Meeting of the company held on 6<sup>th</sup> September, 2018.

During the year under review, 7,83,72,860 equity shares and 12,40,99,181 equity shares were allotted on 5<sup>th</sup> September, 2018 and 27<sup>th</sup> March, 2019 respectively to the holding company and existing shareholder M/s. M.P. Power Management Company Limited, Jabalpur, a wholly owned Government of M. P. undertaking. As such, the issued, subscribed and paid up share capital of the Company as on 31<sup>st</sup> March, 2019 was Rs.5184.41 crores divided into 51,84,41,277 equity shares of Rs.100/- each against the Authorized Share Capital of Rs.7500 Crores divided into 75 Crores equity shares of Rs.100/- each.



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The entire issued and paid up Share Capital of the company is held by the holding company M/s. M.P. Power Management Company Limited, Jabalpur (An undertaking of Government of Madhya Pradesh) and its nominees.

### **(5) DIVIDEND:**

During the Financial Year 2018-2019, no dividend was declared by the company.

### **(6) DEPOSITS:**

During the Financial Year 2018-2019, the Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 and rules made there under.

### **(7) RESERVES:**

During the Financial Year 2018-2019, no amount was transferred to General Reserve.

### **(8) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any subsidiaries, joint ventures or associate companies. However, the Company is a subsidiary company of M/s. M.P. Power Management Company Limited, Jabalpur, a wholly owned Government of M.P. Company, since 1<sup>st</sup> April, 2012.

### **(9) DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Pursuant to order no. E-1/93/2018/5/1 dated 30<sup>th</sup> April, 2018, issued by GoMP, General Administration Department, Shri Sanjay Dubey, IAS (DIN:00618163), the then Commissioner, Indore Division, ceased to be a Nominee Director of the company w.e.f. 2<sup>nd</sup> May, 2018.

Further, as per order no. 4283/3052/13/2018 dated 23<sup>rd</sup> May, 2018, issued by GoMP, Energy Department, Shri Raghwendra Kumar Singh, IAS (DIN:02406936) Commissioner, Indore Division, was appointed as Nominee Director of the company.

Pursuant to order no. F-3-10/2016/13 dated 20<sup>th</sup> June, 2018, issued by GoMP, Energy Department, Dr. Shri Murhari Sopanrao Kele (DIN:07323280) the then Director (Technical) was relieved from his services w.e.f. 23<sup>rd</sup> June, 2018 and accordingly, ceased to be a Director (Technical) of the company.

As per order no. 5387/F-3/15/2018/13 dated 28<sup>th</sup> June, 2018, issued by GoMP, Energy Department, Shri Sanjay Kumar Shukla, IAS (DIN:00606392) was re-appointed as Chairman of the company for a further period of two years or till the order from GoMP is issued. Further, as per order no.5385/F-3/15/2018/13 dated 28<sup>th</sup> June, 2018, issued by GoMP, Energy Department, Shri Akash Tripathi, IAS (DIN:05276428) was re-appointed as Managing Director of the company for a further period of two years or till any order from GoMP is issued.



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Pursuant to order no. 6379/F-3/6/2017/13 dated 7<sup>th</sup> August, 2018, issued by GoMP, Energy Department, Dr. Trapti Jain, Associate Professor, IIT (DIN:07182298) was re-appointed as Independent Director of the company for a further period of two years w.e.f. 23<sup>rd</sup> May, 2018. Pursuant to order no. 6378/F-3/6/2017/13 dated 7<sup>th</sup> August, 2018, issued by GoMP, Energy Department, Shri Rakesh Jain (DIN:02682574), Former Deputy CAG, was appointed as an Independent Director of the company for a period of two years w.e.f. 5<sup>th</sup> September, 2018.

The tenure of Shri Manoj Kumar Jhawar (DIN:07306454) as Director (Commercial) was ceased on 4<sup>th</sup> October, 2018. Further, pursuant to order no. 9265/F-3/10/2016/13 dated 20<sup>th</sup> December, 2018, issued by GoMP, Energy Department, he was re-appointed as Director (Commercial) for a further period of three years w.e.f. 21<sup>st</sup> December, 2018.

Pursuant to order no.E-1/22/2019/5/1 Bhopal dated 17<sup>th</sup> January, 2019, issued by GoMP, General Administration Department, Shri Raghwendra Kumar Singh, IAS (DIN:02406936), the then Commissioner, Indore, ceased to be Nominee Director of the company w.e.f. 17<sup>th</sup> January, 2019.

Further, pursuant to order no.E-1/23/2019/5/1 Bhopal dated 29<sup>th</sup> January, 2019, issued by GoMP, General Administration Department and order no.712/520/2019/13 Bhopal dated 30<sup>th</sup> January, 2019, issued by GoMP, Energy Department, Shri Akash Tripathi, IAS (DIN:05276428) ceased to be the Managing Director of the company w.e.f. 30<sup>th</sup> January, 2019.

As per order No. E-1/59/2019/5/ek dated 07<sup>th</sup> February, 2019, issued by GoMP, General Administration Department, Shri Sanjay Kumar Shukla, IAS (DIN:00606392) was posted as Principal Secretary, Madhya Pradesh Government, Madhya Pradesh Public Health Engineering Department and Managing Director, Madhya Pradesh Jal Nigam and accordingly, ceased to be Chairman of the company w.e.f. 12<sup>th</sup> February, 2019.

Further, as per order No. E-1/59/2019/5/ek dated 07<sup>th</sup> February, 2019, issued by GoMP, General Administration Department, Dr. Sanjay Goyal, IAS (DIN:06930704) was given an additional charge of Managing Director of M.P. Power Management Company Limited, Jabalpur and accordingly, he became the Chairman of the company w.e.f.12<sup>th</sup> February, 2019.

As per order No. E-1/42/2019/5/ek dated 05<sup>th</sup> February, 2019, issued by GoMP, General Administration Department and Order no. 1004/R-520/2019/thirteen dated 7<sup>th</sup> February, 2019, issued by GoMP, Energy Department, Shri Vikas Narwal, IAS (DIN:07884369) was posted as Managing Director of the Company w.e.f. 11<sup>th</sup> February, 2019.



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Pursuant to order no.E-1/23/2019/5/1 Bhopal dated 29<sup>th</sup> January, 2019, issued by GoMP, General Administration Department, Shri Akash Tripathi, IAS (DIN:05276428) was appointed as Commissioner, Indore Division, and as per order no.1860/1075/13/2019 dated 8<sup>th</sup> March, 2019, issued by GoMP, Energy Department, he was appointed as Nominee Director of the company.

As per Order No. E-1/98/2019/5/ek dated 02<sup>nd</sup> March, 2019, issued by GoMP, General Administration Department, Shri Sukhveer Singh, IAS (DIN:02390931) was posted as Secretary, GoMP, Energy Department and Managing Director of M.P. Power Management Company Limited, Jabalpur and Dr. Sanjay Goyal, IAS (DIN:06930704), the then Chairman, was relieved from the additional charge of Managing Director, M.P. Power Management Company Limited, Jabalpur w.e.f. 11<sup>th</sup> March, 2019.

Further, the company has received resignation letter from Shri Rakesh Jain (DIN:02682574), the then Independent Director of the company w.e.f. 11<sup>th</sup> March, 2019.

Also, as per Order No. E-5/724/IAS/Leave/5/1 Bhopal dated 21<sup>st</sup> August, 2019 of GoMP, General Administration Department, Shri Sukhveer Singh, IAS (DIN:02390931), the then Chairman of the company has been granted leave for 143 days from 26<sup>th</sup> August, 2019 to 15<sup>th</sup> January, 2020 and Shri Nitesh Vyas, IAS (DIN:02320055) was given charge of Managing Director of M.P. Power Management Company Limited, Jabalpur and accordingly, he became the Chairman of the company w.e.f. 26<sup>th</sup> August, 2019.

The Board places its appreciation on record for the services extended by Shri Sanjay Kumar Shukla, IAS (DIN:00606392), Dr. Sanjay Goyal, IAS (DIN:06930704) and Shri Sukhveer Singh, IAS (DIN:02390931), the then Chairman of the company, Shri Sanjay Dubey, IAS (DIN:00618163) and Shri Raghwendra Kumar Singh, IAS (DIN:02406936), the then Nominee Directors of the company, Shri Akash Tripathi, IAS (DIN:05276428), the then Managing Director of the company, Dr. Murhari Sopanrao Kele (DIN:07323280) the then Director (Technical) of the company and Shri Rakesh Jain (DIN:02682574), the then Independent Director of the company, during their tenure.

Pursuant to order no. F5A(7)/2019/E/IV, Bhopal dated 5<sup>th</sup> July, 2019 issued by the Finance Department, GoMP read with order no. MD/WZ/01/HR/366, Indore dated 29<sup>th</sup> July, 2019, issued by the company, Shri N. R. Biwalkar, was appointed as Chief Financial Officer of the company w.e.f. 17<sup>th</sup> July, 2019 and Shri Sanjay Vatsa, Addl. Director (F&A) was relieved from the additional responsibility of Chief Financial Officer vide order no. MD/WZ/01/E1/09/367, Indore dated 29<sup>th</sup> July, 2019, issued by the company.

Pursuant to order no. MD/WZ/01/HR/CS(C)/2018/480 dated 24<sup>th</sup> August, 2018, issued by the company, Smt. Aradhana Kulkarni was appointed as Company Secretary of the company w.e.f. 18<sup>th</sup> September, 2018.



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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The members of the Board of Directors of the Company as on 31<sup>st</sup> March, 2019 were as follows:

Sr. No	Name of Director	Designation	From	DIN
1	Shri Sukhveer Singh, IAS MD, MPPMCL	Chairman	11/03/2019	02390931
2	Shri Vikas Narwal, IAS	Managing Director	11/02/2019	07884369
3	Shri Akash Tripathi, IAS, Commissioner, Indore	Nominee Director	08/03/2019	05276428
4	Shri Ajay Choubey, Deputy Secretary, GoMP, Finance Department, Bhopal	Nominee Director	10/08/2016	07622546
5	Shri Prashant Chaturvedi, Officer On Special Duty, GoMP, Energy Department, Bhopal	Nominee Director	23/03/2018	07179652
6	Dr. Trapti Jain*, Associate Professor, Indian Institute of Technology, Indore	Independent Director	23/05/2018	07182298
7	Dr. Rakesh Saxena, Director, Shri Govindram Seksaria Institute of Technology & Science, Indore	Independent Director	27/07/2016	07570628
8	Shri Manoj Kumar Jhawar**, Director (Commercial)	Whole Time Director	21/12/2018	07306454

\* She was appointed as Independent Director w.e.f. 23<sup>rd</sup> May, 2015 for a term of 3 years till 22<sup>nd</sup> May, 2018. Further, she was re-appointed as an Independent Director w.e.f. 23<sup>rd</sup> May, 2018 for a further period of two years.

\*\* He was appointed as Director (Commercial) w.e.f. 5<sup>th</sup> October, 2015 for a term of 3 years till 4<sup>th</sup> October, 2018. Further, he was re-appointed as Director (Commercial) w.e.f. 21<sup>st</sup> December, 2018 for a further period of three years.

The Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2019 were as follows:

Name of Key Managerial Personnel	Designation	From	DIN/PAN
Shri Vikas Narwal, IAS	Managing Director	11/02/2019	07884369
Shri Sanjay Vatsa	Chief Financial Officer	05/10/2015	ABLPV8999H
Smt. Aradhana Kulkarni	Company Secretary	18/09/2018	AJVPK4548F



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

**Particulars of Change in Director(s) / Key Managerial Personnel during the year:**

<b>Name</b>	<b>DIN/PAN</b>	<b>Designation at the beginning / during the financial year</b>	<b>Date of appointment / change in designation / cessation</b>	<b>Nature of change (Appointment / Change in designation / Cessation)</b>
Shri Sanjay Dubey, IAS	00618163	Nominee Director	02/05/2018	Cessation
Shri Raghwendra Kumar Singh, IAS	02406936	Nominee Director	23/05/2018	Appointment
Dr. Murhari Sopanrao Kele	07323280	Director (Technical)	23/06/2018	Cessation
Shri Rakesh Jain	02682574	Independent Director	05/09/2018	Appointment
Shri Manoj Kumar Jhawar	07306454	Director (Commercial)	04/10/2018	Cessation
Shri Manoj Kumar Jhawar	07306454	Director (Commercial)	21/12/2018	Appointment
Shri Raghwendra Kumar Singh, IAS	02406936	Nominee Director	17/01/2019	Cessation
Shri Akash Tripathi, IAS	05276428	Managing Director	30/01/2019	Cessation
Shri Sanjay Kumar Shukla, IAS	00606392	Chairman	12/02/2019	Cessation
Dr. Sanjay Goyal, IAS	06930704	Chairman	12/02/2019	Appointment
Shri Vikas Narwal, IAS	07884369	Managing Director	11/02/2019	Appointment
Shri Akash Tripathi, IAS	05276428	Nominee Director	08/03/2019	Appointment
Shri Sukhveer Singh, IAS	02390931	Chairman	11/03/2019	Appointment
Dr. Sanjay Goyal, IAS	06930704	Chairman	11/03/2019	Cessation
Shri Rakesh Jain	02682574	Independent Director	11/03/2019	Cessation



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

### (10) DECLARATION BY INDEPENDENT DIRECTOR(S):

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

### (11) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The following Meetings of the Board of Directors were held during the Financial Year 2018-19:

S. No.	No. of Meeting	Date of Meeting	Total Number of directors as on the date of meeting	Attendance	
				Number of directors attended	As % of total Attendance
1	76	01/06/2018	7	4	57.14%
2	77	20/07/2018	6	3	50.00%
3	78	05/09/2018	7	4	57.14%
4	79	29/09/2018	9	7	77.78%
5	80	21/12/2018	8	6	75.00%
6	81	27/02/2019	8	6	75.00%
7	82	27/03/2019	8	5	62.50%

### COMMITTEE MEETINGS:

The details of number of Committee Meetings attended by the Directors during the FY 2018-19 are tabulated below:

S. No.	Type of Meeting	Date of Meeting	Total Number of members as on the date of meeting	Attendance	
				Number of members attended	As % of total members
1	Audit Committee	29/09/2018	5	3	60%
2	Audit Committee	21/12/2018	5	5	100%



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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**Attendance of Directors**

S. No.	Name of Directors	Board Meetings			Committee Meetings			Whether attended AGM held on 29/09/2018 (15 <sup>th</sup> Adjourned AGM) and 27/12/2018 (16 <sup>th</sup> AGM)
		Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	
1	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) Managing Director, MPPMCL Chairman	5	2	40.00	2	1	50.00	No
2	Dr. Sanjay Goyal, IAS (DIN:06930704) Managing Director, MPPMCL Chairman	1	1	100.00	0	0	0.00	Not Applicable
3	Shri Sukhveer Singh, IAS (DIN:02390931) Managing Director, MPPMCL Chairman	1	1	100.00	0	0	0.00	Not Applicable
4	Shri Akash Tripathi, IAS, (DIN:05276428) Managing Director	6	5	83.33	2	2	100.00	Yes
5	Shri Vikas Narwal, IAS (DIN:07884369) Managing Director	2	2	100.00	0	0	0.00	Not Applicable
6	Shri Raghwendra Kumar Singh, IAS (DIN:02406936) Commissioner Nominee Director	3	1	33.33	0	0	0.00	No



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

7	Shri Ajay Choubey, (DIN:07622546), Deputy Secretary, GoMP, Finance Department Nominee Director	7	2	28.57	0	0	0.00	No
8	Shri Prashant Chaturvedi, (DIN:07179652) Officer On Special Duty, GoMP, Energy Department Nominee Director	7	5	71.43	0	0	0.00	No
9	Shri Rakesh Saxena, (DIN:07570628) Director, Shri Govindram Seksaria Institute of Technology & Science, Indore Independent Director	7	4	57.14	2	1	50.00	No
10	Dr. Trapti Jain, (DIN:07182298) Associate Professor, IIT, Indore Independent Director	4	2	50.00	2	2	100.00	No
11	Shri Rakesh Jain, (DIN: 02682574), Former Dy. CAG Independent Director	3	3	100.00	2	2	100.00	No
12	Shri Manoj Kumar Jhawar, (DIN:07306454) Director (Commercial)	6	6	100.00	0	0	0.00	Yes
13	Dr. Murhari Sopanrao Kele (DIN:07323280) Director (Technical)	1	1	100.00	0	0	0.00	Not Applicable



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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**(12) COMMITTEES OF BOARD OF DIRECTORS DURING THE FINANCIAL YEAR 2018-19:**

<b>Corporate Social Responsibility Committee</b>		
<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>
<b>1.</b>	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) Managing Director, MPPMCL (till 12 <sup>th</sup> February, 2019) Chairman	Chairman
<b>2.</b>	Dr. Sanjay Goyal, IAS (DIN:06930704) Managing Director, MPPMCL (from 12 <sup>th</sup> February, 2019 till 11 <sup>th</sup> March, 2019) Chairman	Chairman
<b>3.</b>	Shri Sukhveer Singh, IAS (DIN:02390931) Managing Director, MPPMCL (w.e.f. 11 <sup>th</sup> March, 2019) Chairman	Chairman
<b>4.</b>	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director (till 30 <sup>th</sup> January, 2019)	Member
<b>5.</b>	Shri Vikas Narwal, IAS (DIN:07884369) Managing Director (w.e.f. 11 <sup>th</sup> February, 2019)	Member
<b>6.</b>	Shri Prashant Chaturvedi (DIN:07179652) OSD, GoMP, Energy Department, Nominee Director	Member
<b>7.</b>	Dr. Trapti Jain (DIN:07182298) Associate Professor, Indian Institute of Technology, Indore, Independent Director (w.e.f. 5 <sup>th</sup> September, 2018)	Member

<b>Audit Committee</b>		
<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>
<b>1.</b>	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) Managing Director, MPPMCL (till 12 <sup>th</sup> February, 2019) Chairman	Chairman
<b>2.</b>	Dr. Sanjay Goyal, IAS (DIN:06930704) Managing Director, MPPMCL (from 12 <sup>th</sup> February, 2019 till 11 <sup>th</sup> March, 2019) Chairman	Chairman
<b>3.</b>	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director (till 30 <sup>th</sup> January, 2019)	Member



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

<b>4.</b>	Shri Vikas Narwal, IAS (DIN:07884369) Managing Director (w.e.f. 11 <sup>th</sup> February, 2019)	Chairman
<b>5.</b>	Shri Rakesh Saxena (DIN:07570628) Director, Shri Govindram Seksaria Institute of Technology & Science, Indore Independent Director	Member
<b>6.</b>	Dr. Trapti Jain (DIN:07182298) Associate Professor, Indian Institute of Technology, Indore Independent Director	Member
<b>7.</b>	Shri Rakesh Jain (DIN:02682574), Former Dy. CAG, Independent Director (from 5 <sup>th</sup> September, 2018 till 11 <sup>th</sup> March, 2019)	Member

<b>Nomination and Remuneration Committee</b>		
<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>
<b>1.</b>	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) Managing Director, MPPMCL (till 12 <sup>th</sup> February, 2019) Chairman	Member
<b>2.</b>	Shri Ajay Choubey (DIN:07622546) Deputy Secretary, Finance Department, GoMP Nominee Director	Member
<b>3.</b>	Shri Rakesh Jain (DIN:02682574), Former Dy. CAG, Independent Director (from 5 <sup>th</sup> September, 2018 till 11 <sup>th</sup> March, 2019)	Member
<b>4.</b>	Dr. Trapti Jain (DIN:07182298) Associate Professor, Indian Institute of Technology, Indore Independent Director	Member

<b>Business Committee</b>		
<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>
<b>1.</b>	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) Managing Director, MPPMCL (till 12 <sup>th</sup> February, 2019) Chairman	Chairman
<b>2.</b>	Dr. Sanjay Goyal, IAS (DIN:06930704) Managing Director, MPPMCL (from 12 <sup>th</sup> February, 2019 till 11 <sup>th</sup> March, 2019) Chairman	Chairman
<b>3.</b>	Shri Sukhveer Singh, IAS (DIN:02390931) Managing Director, MPPMCL (w.e.f. 11 <sup>th</sup> March, 2019) Chairman	Chairman

**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

<b>4.</b>	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director (till 30 <sup>th</sup> January, 2019)	Member
<b>5.</b>	Shri Vikas Narwal, IAS (DIN:07884369) Managing Director (w.e.f. 11 <sup>th</sup> February, 2019)	Member
<b>6.</b>	Shri Ajay Choubey (DIN:07622546) Deputy Secretary, Finance Department, GoMP Nominee Director	Member
<b>7.</b>	Shri Prashant Chaturvedi (DIN:07179652) OSD, Energy Department, GoMP Nominee Director	Member

<b>Management Committee</b>		
<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
<b>1.</b>	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) Managing Director, MPPMCL (till 12 <sup>th</sup> February, 2019) Chairman	Chairman
<b>2.</b>	Dr. Sanjay Goyal, IAS (DIN:06930704) Managing Director, MPPMCL (from 12 <sup>th</sup> February, 2019 till 11 <sup>th</sup> March, 2019) Chairman	Chairman
<b>3.</b>	Shri Sukhveer Singh, IAS (DIN:02390931) Managing Director, MPPMCL (w.e.f. 11 <sup>th</sup> March, 2019) Chairman	Chairman
<b>4.</b>	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director (till 30 <sup>th</sup> January, 2019)	Member
<b>5.</b>	Shri Vikas Narwal, IAS (DIN:07884369) Managing Director (w.e.f. 11 <sup>th</sup> February, 2019)	Member
<b>6.</b>	Shri Ajay Choubey (DIN:07622546) Deputy Secretary, Finance Department, GoMP Nominee Director	Member
<b>7.</b>	Shri Prashant Chaturvedi(DIN:07179652) OSD, Energy Department, GoMP Nominee Director	Member



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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### **(13) DIRECTORS' RESPONSIBILITY STATEMENT:**

As required by clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 your directors confirm that:

- a) in the preparation of the annual accounts, 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 the end of the financial year 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 on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **(14) CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As per requirement of the provisions of section 135 of the Companies Act, 2013, the company has formulated a CSR policy which is available in the website of the company viz. [www.mpwz.co.in](http://www.mpwz.co.in). Further, company should spend in every financial year, at least two percent of the average net profits of the company made during the three immediate preceding financial years. Since, no net profit was made during three immediate preceding financial years, the Company was not required to spend any amount towards Corporate Social Responsibility activities.

### **(15) EXTRACT OF THE ANNUAL RETURN:**

The extract of the annual return in Form No. MGT- 9 is forming part of this report. The annual return of the company is also available on the website of the company, weblink of which is [http://www.mpwz.co.in/portal/Indore\\_home.portal?\\_nfpb=true&\\_pageLabel=abtUs\\_reports\\_ind](http://www.mpwz.co.in/portal/Indore_home.portal?_nfpb=true&_pageLabel=abtUs_reports_ind).

### **(16) RELATED PARTY TRANSACTIONS:**

Particulars of contracts and arrangements with related parties as per provisions of the Companies Act, 2013, are disclosed in Form AOC-2, annexed hereto and is forming part of this Report. Details of all related party transactions are mentioned in Note No. 35 to the Financial Statements.

### **(17) PARTICULARS OF LOAN, GUARANTEE OR SECURITY U/S 186:**

The company is exempted from the provisions of section 186 (11) of the Companies Act, 2013. Therefore, the Company was not required to report on the details of loan, guarantee or security given. Further, the company has not made any investments during the year under review.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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### **(18) PARTICULARS OF REMUNERATION PAID TO MANAGING DIRECTOR AND WHOLE TIME DIRECTOR U/S 197:**

The company, being a government company, is exempted from the provisions of section 197 of the Companies Act, 2013. However, the Company has reported the details of remuneration paid to Managing Director and Whole-Time Directors of the company in Form MGT-9. Further, the Managing Director has not received remuneration or commission from the subsidiary companies as the company has is having no subsidiaries.

### **(19) SECRETARIAL STANDARDS:**

During the Financial Year 2018-19, the Company has generally complied the Secretarial Standards framed under the Companies Act, 2013.

### **(20) AUDITORS:**

Pursuant to Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India has appointed M/s Fadnis & Gupte, Chartered Accountants, Indore as Statutory Auditors to audit the accounts of the Company for the period ended on 31<sup>st</sup> March, 2019.

### **(21) EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITOR:**

Replies to Statutory Auditors Report shall be forming part of this Report. Further, no frauds were reported by the auditors under sub-section (12) of section 143 of the Companies Act, 2013.

### **(22) SECRETARIAL AUDIT REPORT:**

M/s Sonam Geda & Co., Practicing Company Secretaries, Indore, were appointed as Secretarial Auditors to conduct Secretarial Audit of the records and documents of the Company for Financial Year 2018-19. The Secretarial Auditor Report is self explanatory, annexed hereto and is forming part of this Report.

### **(23) COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA:**

Comments of the Comptroller and Auditor General of India (CAG) are awaited and shall be forming part of this Report.

### **(24) COST AUDITOR:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company has been carrying out audit of cost records.



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The Board of Directors, on recommendation of Audit Committee has appointed Messrs Sourabh Sethi & Co., Cost Accountants, Lucknow as Cost Auditor to audit Cost Accounting Records of the Company for the Financial Year commencing on 1<sup>st</sup> April, 2019 at the remuneration of Rs.17,990/- only (plus Service Tax).

The Cost Audit Report for the Financial Year 2018-19 was filed with the Ministry of Corporate Affairs on 21<sup>st</sup> December, 2019.

### **(25) RISK MANAGEMENT POLICY:**

The company has developed and implemented a risk management policy. This policy includes review of periodic assessment of risks, their probable impact on profitability, operational activities, action taken for mitigation and their effectiveness.

### **(26) DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

The Company has established a Vigil Mechanism Policy to report genuine concerns of grievances. The Vigil Mechanism Policy has been posted on the website of the Company viz [www.mpwz.co.in](http://www.mpwz.co.in).

### **(27) RIGHT TO INFORMATION:**

In order to promote transparency and accountability, an appropriate mechanism has been setup in the company in line with, Right to Information Act, 2005. The Company has nominated Joint Secretary II as Public Information officer at its Corporate Office to provide required information to the citizens under the provisions of the said Act.

### **(28) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, an 'Internal Complaints Committee' has been constituted in the Company for redressal of complaint(s) against sexual harassment of women employees. The Committee is headed by a senior level woman official of the Company. During the Financial Year 2018-2019, one compliant was received related to sexual harassment in the Company.

### **(29) CHANGES IN THE NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of business.

### **(30) 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 were no material changes and commitments 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.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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### **(31) 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:**

No significant and material orders were passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **(32) INTERNAL FINANCIAL CONTROL:**

The Company has its own internal audit department. Company has adequate internal financial control system in place and operative effectiveness of such control except material weaknesses highlighted by the statutory auditor in their Audit Report. However, the Company is attempting for further strengthening of internal financial control system.

### **(33) GENERAL MEETINGS:**

The details of last three Annual General Meetings (AGM) are as under:

AGM	For the Financial Year	Venue	Date	Time
14 <sup>th</sup>	2015-16	GPH Compound, Polo Ground, Indore	26 <sup>th</sup> December, 2016	12.30 P.M.
15 <sup>th</sup>	2016-17	GPH Compound, Polo Ground, Indore	30 <sup>th</sup> December, 2017	05.00 P.M.
15 <sup>th</sup> Adjourned	2016-17	GPH Compound, Polo Ground, Indore	29 <sup>th</sup> September, 2018	05.00 P.M.
16 <sup>th</sup>	2017-18	GPH Compound, Polo Ground, Indore	27 <sup>th</sup> December, 2018	05.00 P.M.

The 26<sup>th</sup> Extra Ordinary General Meeting was held on Thursday, 06<sup>th</sup> September, 2018 at the registered office of the Company at GPH Compound, Polo Ground, Indore. Further, the 27<sup>th</sup> Extra Ordinary General Meeting was held on Thursday, 28<sup>th</sup> March, 2019 at the registered office of the Company at GPH Compound, Polo Ground, Indore.

### **(34) PARTICULARS OF EMPLOYEES:**

There was no employee who falls under the category defined under the sub-rule (2) of Rule-5 of (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in Chapter-XIII of Companies Act, 2013.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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### **(35) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The information in respect of Conservation of Energy and Technology Absorption are not applicable as the company is not engaged in production activities.

There was no foreign exchange earnings or outgo during the period under review.

### **(36) ACKNOWLEDGEMENT:**

The Board wishes to thank to the members, employees, Banks, Government Authorities, Business Associates and others for their valuable contribution and support. Your Directors also take this opportunity to place on record the valuable contribution support received from the associates of the Company.

For and on behalf of the Board of Directors

Place : Bhopal

Manoj Kumar Jhawar

Vikas Narwal, IAS

Date: 15.10.2019

DIN:07306454

DIN:07884369

Director (Commercial)

Managing Director



**MADHYA PRADESH PASCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March, 2019  
[Pursuant to section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	U40109MP2002SGC015121
(ii)	Registration Date	31/05/2002
(iii)	Name of the Company	MADHYA PRADESH PASCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED
(iv)	Category / Sub-Category of the Company	PUBLIC LIMITED (STATE GOVT. COMPANY)
(v)	Address of the Registered Office and contact details	GPH COMPOUND, POLO GROUND, INDORE, MADHYA PRADESH-452003
(vi)	Whether listed company	No
(vii)	Name, address and contact details of Registrar and 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 is as stated below:

Sl. No	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Distribution of electricity	99691120	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section
1	M.P. Power Management Company Limited, Shakti Bhavan, Rampur, Jabalpur	U40109MP2006SGC018637	Holding	100	2 (46)



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**  
**i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year					No. of Shares held at the end of the year					% Change during the year
	Demat	Physical	Total	% of Total	Shares	Demat	Physical	Total	% of Total	Shares	
<b>(A) Promoters</b>											
<b>(1) Indian</b>											
a) Individual / HUF	-	10*	10*	-	-	10*	10*	-	-	-	
b) Central Govt.	-	-	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	-	-	
d) Bodies Corporate	-	315969236	315969236	100%	NIL	51,84,41,277	51,84,41,277	100%	0	0	
e) Banks / FI	-	-	-	-	-	-	-	-	-	-	
f) Any Other....	-	-	-	-	-	-	-	-	-	-	
<b>Sub-Total (A)(1):</b>	-	315969246	315969246	100%	NIL	51,84,41,287	51,84,41,287	100%	0	0	
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-	-	
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	-	



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	-	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	-	315969246	315969246	100%	NIL	51,84,41,287	51,84,41,287	100%	0
<b>(B) Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>(1) Institutions</b>	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>	-	-	-	-	-	-	-	-	-
<b>a) Bodies Corporate</b>	-	-	-	-	-	-	-	-	-



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>	-	-	-	-	-	-	-	-	-	-
i) Individual Share holders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-	-
ii) Individual Share holders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-	-
<b>c) Others (specify)</b>	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Public Share holding (B)=(B) (1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-	-
<b>(C) Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	315969246	315969246	100%	NIL	51,84,41,287	51,84,41,287	100%	0	

\* Equity shares are held by the nominees of M.P. Power Management Company Limited, Jabalpur, holding company



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

**ii) Shareholding of Promoters**

100% of the Paid-up Share Capital of the Company is held by M.P. Power Management Company Limited, Jabalpur and its Nominees. MPPMCL is under the Administrative control of Government of M.P., Energy Department.

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	M.P. Power Management Company Ltd.	315969236	100.00%	Nil	518441277	100.00%	Nil	202472041
2	Shri Akash Tripathi (DIN:05276428)	1	----	Nil	Nil	----	Nil	(1)
3	Shri Vikas Narwal (DIN:07884369)	0	----	Nil	1	----	Nil	1
4	Shri Manoj Pushp	1	----	Nil	1	----	Nil	0
5	Shri Shivlal Karwadiya	1	----	Nil	1	----	Nil	0
6	Shri Sanjay Mohase	1	----	Nil	1	----	Nil	0
7	Shri Kailash Shiva	1	----	Nil	1	----	Nil	0
8	Shri Gajra Mehta	1	----	Nil	1	----	Nil	0
9	Shri Manoj Kumar Jhawar (DIN:07306454)	1	----	Nil	1	----	Nil	0
10	Shri Punit Dubey	1	----	Nil	1	----	Nil	0
11	Shri Ravishankar Khatri	1	----	Nil	1	----	Nil	0
12	Shri Sanjay Vatsa	1	----	Nil	1	----	Nil	0
	<b>Total</b>	315969246	<b>100.00%</b>	Nil	518441287	<b>100.00%</b>	Nil	202472041



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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**iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

Sl. No		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	315969246	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.):	Allotment of 7,83,72,860 Equity shares on 5 <sup>th</sup> September, 2018  Allotment of 12,40,99,181 Equity shares on 27 <sup>th</sup> March, 2019	100%	518441287	100%
	At the end of the year			518441287	100%

**iv) Shareholding Pattern of top ten Shareholders:**

Nil (100% of the Paid-up Share Capital of the Company is held by M.P. Power Management Company Limited, Jabalpur and its Nominees. MPPMCL is under the Administrative control of Government of M.P., Energy Department.

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	----	----	---	---
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	----	----	---	---
	At the end of the year (or on the date of separation, if separated during the year)	----	----	---	---



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	<b>For Each of the Directors and KMP</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of Shares</b>	<b>% of total shares of the Company</b>	<b>No. of Shares</b>	<b>% of total shares of the Company</b>
<b>1</b>	<b>Shri Sukhveer Singh, IAS, (DIN:02390931) Chairman</b>				
	At the beginning of the year	----	-----	---	----
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus /sweat equity etc):	----	-----	---	----
	At the end of the year	----	-----	-----	-----

<b>2</b>	<b>Shri Vikas Narwal, IAS, (DIN:07884369)Managing Director</b>				
	At the beginning of the year	Nil	--	--	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus /sweat equity etc):	--	--	--	--
	At the end of the year	----	--	1	---

<b>3</b>	<b>Shri Akash Tripathi, IAS,(DIN:05276428) Nominee Director</b>				
	At the beginning of the year	1	----	-----	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus /sweat equity etc):	----	----	-----	---
	At the end of the year	----	----	Nil	---



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

<b>4</b>	<b>Shri Ajay Choubey, (DIN:07622546) Deputy Secretary, Finance Department, GoMP Nominee Director</b>				
	At the beginning of the year	----	----	-----	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus/ sweat equity etc):	----	----	-----	---
	At the end of the year	----	----	-----	---

<b>5</b>	<b>Shri Prashant Chaturvedi, (DIN:07179652) OSD, GoMP, Energy Department Nominee Director</b>				
	At the beginning of the year	----	----	-----	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus/ sweat equity etc):	----	----	-----	---
	At the end of the year	----	----	-----	---

<b>6</b>	<b>Shri Rakesh Saxena, (DIN:07570628) Independent Director</b>				
	At the beginning of the year	----	----	-----	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus/ sweat equity etc):	----	----	-----	---
	At the end of the year	----	----	-----	---
<b>7</b>	<b>Dr. Smt. Trapti Jain, (DIN:07182298)Independent Director</b>				
	At the beginning of the year	----	----	-----	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus/ sweat equity etc):	----	----	-----	---
	At the end of the year	----	----	-----	---



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

<b>8</b>	<b>Shri Manoj Kumar Jhawar, (DIN:07306454) Director (Commercial)</b>				
	At the beginning of the year	1	----	-----	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus /sweat equity etc):	----	----	-----	---
	At the end of the year	----	----	1	---

<b>1</b>	<b>Shri Sanjay Vatsa, Chief Financial Officer (KMP)</b>				
	At the beginning of the year	1	----	-----	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus /sweat equity etc):	----	----	---	---
	At the end of the year	----	----	1	---

<b>2</b>	<b>Smt. Aradhana Kulkarni, Company Secretary (KMP)</b>				
	At the beginning of the year	----	----	-----	---
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus /sweat equity etc):	----	----	-----	---
	At the end of the year	----	----	-----	---



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

### V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. in Crores)

	<b>Secured Loans Excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year 2018-19</b>				
i) Principal Amount	473.84	9019.13	0	9492.97
ii) Interest due but not paid	11.74	1183.96	0	1195.70
iii) Interest accrued but not due	75.03	22.58	0	97.61
<b>Total (i+ii+iii)</b>	<b>560.61</b>	<b>10225.67</b>	<b>0</b>	<b>10786.28</b>
<b>Change in Indebtedness during the financial year 2018- 19</b>				
Addition	441.31	3525.04	0	3966.35
Reduction	58.43	1486.79	0	1545.22
<b>Net Change</b>	<b>382.88</b>	<b>2038.25</b>	<b>0</b>	<b>2421.13</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	839.77	10300.53	0	11140.30
ii) Interest due but not paid	28.60	1939.96	0	1968.56
iii) Interest accrued but not due	75.12	23.43	0	98.55
<b>Total (i+ii+iii)</b>	<b>943.49</b>	<b>12263.92</b>	<b>0</b>	<b>13207.41</b>

**Reduction includes conversion of perpetual loan into grant under UDAY scheme.**



**MADHYA PRADESH PASCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

**VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL**

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

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount	
		Shri Akash Tripathi, IAS (DIN: 05276428) Managing Director (upto 29 <sup>th</sup> January, 2019)	Shri Vikas Narwal, IAS (DIN: 07884369) Managing Director (w.e.f. 11 <sup>th</sup> February, 2019)	Shri Manoj Kumar Jhawar (DIN: 07306454) Director (Commercial)	Dr. Shri M. S. Kele (DIN: 07323280) Director (Technical) (upto 23 <sup>rd</sup> June, 2018)		
1	Gross Salary	Rs. 2036190	Rs. 114250	Rs. 2872644	Rs. 878663	Rs. 5901747	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961						
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	237253	0	297718	0	534971	
2	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	
	Stock Options	-	-	-	-	-	
3	Sweat Equity	-	-	-	-	-	
	Commission	-	-	-	-	-	
4	- as % of profit	-	-	-	-	-	
	- others, specify....	-	-	-	-	-	
5	Others, please specify	-	-	-	-	-	
	<b>Total (A)</b>	<b>2273443</b>	<b>114250</b>	<b>3170362</b>	<b>878663</b>	<b>6436718</b>	
	Ceiling as per the Act		Not Applicable				



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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**B. Remuneration to other Directors:-**

Amount in (Rs.)

S. No.	Particulars of Remuneration	Name of Directors			
		Shri Rakesh Jain (DIN: 02682574)	Dr. Rakesh Saxena (DIN: 07570628)	Dr. Trapti Jain (DIN: 07182298)	<b>Total Amount</b>
<b>1</b>	<b>Independent Directors:</b> -Fee for attending Board/ Committee Meetings	30000/ 10000	-	-	40000
	-Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	<b>Total (1)</b>	30000/ 10000	-	-	40000
<b>2</b>	<b>Other Non Executive Directors:</b> -Fee for attending Board /Committee Meetings	-	-	-	-
	-Commission	-	-	-	-
	-Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B1+B2)</b>	30000/ 10000	-	-	40000
	<b>Total Managerial Remuneration</b>	30000/ 10000	-	-	40000
	<b>Overall Ceiling as per the Act</b>	<b>Rs.1 lac per meeting</b>			



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD**

S.No.	<b>Particulars of Remuneration</b>	<b>CEO</b>	<b>Company Secretary</b>	<b>Chief Financial Officer</b>	
		<b>Nil</b>	<b>Smt. Aradhana Kulkarni (w.e.f. 18<sup>th</sup> September, 2018)</b>	<b>Shri Sanjay Vatsa</b>	<b>Total</b>
<b>1</b>	Gross Salary		Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	293570	2561732	2855302
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0	8940	8940
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
<b>2</b>	Stock Option	-	-	-	-
<b>3</b>	Sweat Equity	-	-	-	-
<b>4</b>	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify....	-	-	-	-
<b>5</b>	Others, please specify	-	-	-	-
	<b>Total</b>	0	<b>293570</b>	<b>2570672</b>	<b>2864242</b>



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

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

For and on behalf of the Board of Directors

Place : Bhopal

Date: 15.10.2019

Manoj Kumar Jhawar

DIN:07306454

Director (Commercial)

Vikas Narwal, IAS

DIN:07884369

Managing Director



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

Annexure to the Board's Report 2018-19

**Particulars of contracts/arrangements entered into by the company with related parties**

**Form AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

<b>1. Details of contracts or arrangements or transactions not at arm's length basis</b>							
Name(s) of the related party and nature of relationship (a)	Nature of contracts/arrangements/transactions (b)	Duration of the contracts / arrangements/transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Justification for entering into such contracts or arrangements or transactions (e)	Date of approval by the Board (f)	Amount paid as advances, if any (g)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188 (h)
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>2. Details of material contracts or arrangement or transactions at arm's length basis</b>							
Name(s) of the related party and nature of relationship (a)	Nature of contracts/arrangements/transactions (b)	Duration of the contracts / arrangements/transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any (d) (Rs. in Crores)	Date(s) of approval by the Board, if any (e)	Amount paid as advances, if any (f)		
M. P. Power Management Company Limited, Jabalpur (Holding Company)	Power purchase	Continuous	9892.84	N.A.	4064.49		



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur (Sister concern)	Inventory movement	1 year	0.94	-	-
Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited, Bhopal (Sister Concern)	Inventory movement	1 year	(0.99)	-	-



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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### FORM NO.MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2019

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

To,

The Members,

**Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited**

GPH COMPOUND POLO GROUND INDORE MP 452003 IN

CIN:U40109MP2002SGC015121

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited'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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder,
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder: The Company is not listed and hence the provisions of this Act are not applicable to the Company during the Audit Period.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder: The Company is Government Company and hence the provisions of this Act are not applicable to the Company during the Audit Period.
- (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: In accordance with information given by management, Company has not dealt with any transaction with the foreign countries during the Audit period and hence this is not applicable.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: The Company is not listed and hence the provisions of this Act are not applicable to the Company during the Audit Period.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992: The Company is not listed and hence the provisions of this Act are not applicable to the Company during the Audit Period.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: The Company is not listed and hence the provisions of this Act are not applicable to the Company during the Audit Period.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: The Company is not listed and hence the provisions of this Act are not applicable to the Company during the Audit Period.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: The Company is not listed and hence the provisions of this Act are not applicable to the Company during the Audit Period.

(f) 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: The Company is Government Company and hence the provisions of this Act are not applicable to the Company during the Audit Period.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: The Company is not listed and hence the provisions of this Act are not applicable to the Company during the Audit Period.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: The Company is not listed and hence the provisions of this Act are not applicable to the Company during the Audit Period.

(vi) During the audit period, under the review the Company has generally complied with the provisions of the specifically laws applicable to the Company as per the representation made by the management and we relies on the same.

- a) MPERC (Guidelines for reporting Regulatory Compliance) Regulations-2005.
- b) M.P. Electricity Supply Code-2004.
- c) MPERC (Establishment of forum and electricity ombudsman for redressal of grievance of the consumer) Regulations-2004.
- d) MPERC (Distribution Performance S slandered) Regulations-2004.
- e) MPERC Electricity Distribution Code.
- f) MPERC (Monitoring of Performance of Licensees and Generating Companies) MIS Regulations-2004.
- g) MPERC (Security Deposit) Regulations-2004.
- h) The Conditions of Distribution licenses for Distributions Licenses (including deemed Licensee) 2004.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange: not applicable to the Company during the Audit Period.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, Standards, etc. mentioned above **subject to the following observations:**

- 1. The Disclosure of Interest by the various Directors in form MBP-1 are not found in accordance with section 184 of Companies Act and rule 9 of the Companies (Meetings of Board and its Powers) Rules, 2014 and various e-Forms DIR 12 were not duly filed in accordance with the provisions of Companies Act, 2013 and Rule 18 of Companies (Appointment and Qualification of Directors) Rules, 2014.**
- 2. Non-compliance in the matter of appointment of Company Secretary of the Company as per the sub-section 1 of Section 203 of the Companies Act 2013, due to casual vacancy caused by death of previous Company Secretary dated: 23.09.2017, However, Company has appointed Company Secretary w.e.f. 18.09.2018.**
- 3. The Company has made non- compliance of section 118 of Companies Act and Rule 25 of Companies (Management and Administration) Rules, 2014 in respect of the various minutes of the meeting are not recorded within prescribed time limit.**
- 4. The Company/ Directors has not complied with Section 158 of Companies Act, as fails to furnish DIN in various forms and particulars which contains reference of any Director.**
- 5. The Audit committee was not duly constituted for part of the year in accordance to Section 177 of Companies Act, 2013.**
- 6. The Company has entered incorrect date and resolution number for Authorization to sign e-forms by the Board of Directors in the various forms and further no minutes found for such entered dates in the forms.**
- 7. The Company has filed various forms and returns after the prescribed time in the Companies Act, with the payment of Additional fees.**

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Women Director **except Director (Technical) and an Independent Director.** The changes in the composition of



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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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 are captured and recorded as part of the minutes.

We 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.

We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws, ESIC, PF, Bonus, Gratuity etc by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that during the audit period, as informed by the management, the Company has no specific event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Note: This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

*Place: Indore  
Date :15/10/2019*

*For: Sonam Geda & Co.  
Company Secretaries*

*Sonam Geda  
ACS No.43363  
C P No.:16559*



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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### 'Annexure -1'

To,  
The Members

**Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited**  
GPH COMPOUND POLO GROUND INDORE MP 452003 IN  
CIN: U40109MP2002SGC015121

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 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. Where ever 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.

*Date: 15/10/2019*

*Place: Indore*

*For: Sonam Geda & Co.  
Company Secretaries*

*Sonam Geda  
ACS No.43363  
C P No.:16559*



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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भारतीय लेखा एवं लेखापरीक्षा विभाग  
महालेखाकार का कार्यालय  
(आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा) मध्य प्रदेश

पत्र सं./आ.क्षे.तृतीय/सी.ए.डबल्यू—III/2019—20/जा.न 452

दिनांक 27/12/2019

प्रति,

प्रबंध संचालक  
मध्य प्रदेश पश्चिम क्षेत्र विद्युत वितरण  
कंपनी लिमिटेड

**विषय:—** मध्य प्रदेश पश्चिम क्षेत्र विद्युत वितरण कंपनी लिमिटेड, के 31 मार्च 2019 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम 2013 की धारा 143 (6) (बी) के अधीन भारत के नियंत्रक महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं अंशदाताओं की वार्षिक साधारण सभा में प्रस्तुत करने हेतु मध्यप्रदेश पश्चिम क्षेत्र विद्युत वितरण कंपनी लिमिटेड, के 31 मार्च 2019 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143 (6) (बी) के अधीन टिप्पणी का प्रमाण पत्र भेज रहा हूँ जिसे आप संचालकों के प्रतिवेदन के साथ अनुलग्नक के रूप में प्रकाशित करें।

संलग्न:— उपरोक्तानुसार

भवदीय

उपमहालेखाकार  
(आर्थिक क्षेत्र — तृतीय)

.....  
53, अरेरा हिल्स होशंगाबाद रोड भोपाल 462011  
फोन पीएबीएक्स — 0755 2551077, 2552988 फेक्स—0755 2550379  
इमेल [agaumadhyapradesh2@cag.gov.in](mailto:agaumadhyapradesh2@cag.gov.in)



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENT OF MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED, INDORE FOR THE YEAR ENDED 31 MARCH 2019.**

The preparation of financial statements of Madhya Pradesh Pashchim Kshetra Vidyut Vitaran Company Limited, for the year ended 31 March 2019 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 is responsible for expressing opinion on these 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 15 October 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Madhya Pradesh Pashchim Kshetra Vidyut Vitaran Company Limited for the year ended 31 March 2019 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 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) (a) of the Act which have come to my attention and which is my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

#### **Statement of Profit and Loss**

##### **Expenses, Other expenses (Note 30)**

###### **Miscellaneous expenses**

###### **Bad and Doubtful Debts written off Rs.762.68 crore**

1. Government of Madhya Pradesh (GoMP) launched (June 2018) a scheme-Mukhya Mantri Bakaya Bill Mafi Yojana 2018 for the poor people living within the State, under which the outstanding arrears of electricity bills as on 30 June 2018 are to be waived off for the registered labour and Below Poverty Line consumers. The amount waived off by the Company under scheme was Rs.859.33 crore and booked the same as bad debts written off of Rs.762.68 crore after adjustment of Provision for Bad and Doubtful debts written back for Rs.96.65 crore. Since the waiver off has arisen due to withdrawal of demand as per GoMP scheme which is distinct from the ordinary activities of the Company and are not expected to recur frequently or regularly, it is an exceptional item, which should have been shown under exceptional item in Statement of Profit and Loss.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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Not doing so has resulted in over statement of Loss before exceptional items & tax and understatement of loss before tax for the year 2018-19 to the extent of Rs.762.68 Crore.

### **2. Notes to the Financial Statements**

#### **Contingent Liabilities (Note 36(1))**

The above does not include an amount of Rs.79.43 crore toward claims made by the Consumers before the Hon'ble High Court in respect of two cases. The Hon'ble high Court has passed orders against the Company in both the cases against which the Company has filed a writ petition. Since the cases are pending before the Hon'ble High Court, the Company should have disclosed the same under Contingent Liabilities.

### **3. Independent Auditors' Report**

A reference is invited to point number 2 of the Annexure C to Independent Auditors Report, wherein the Statutory Auditors reported, in Compliance to Directions of CAG of India issued under Section 143 (5) of the Companies Act, 2013, that during the year the Company has written off debts amounting to Rs.495.87 crore and interest amounting to Rs.213.47 Crore. However, during the current year 2018-19, the Company had written off debts amounting to Rs.762.68 crore after adjustment of provision of Bad and Doubtful debts written back by Rs.96.65 crore.

For and on the behalf of the  
COMPTROLLER AND AUDITOR GENERAL OF INDIA

Place : Bhopal

(Bijit Kumar Mukharjee)

Date : 27.12.2019

Accountant General,

(Economic & Revenue Sector Audit)

Madhya Pradesh, Bhopal



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

### REPLIES OF COMPANY ON FINAL COMMENTS ISSUED BY COMPTROLLER AND AUDITOR GENERAL OF INDIA ON ANNUAL FINANCIAL STATEMENTS FOR FY 2018-19.

S. NO.	CAG COMMENTS / OBSERVATION	REPLY OF MPPKVCL, INDORE
1	<p><b>Statement of Profit and Loss</b></p> <p><b>Expenses, Other expenses (Note 30)</b></p> <p><b>Miscellaneous expenses</b></p> <p><b>Bad and Doubtful Debts written off Rs.762.68 crore</b></p> <p>Government of Madhya Pradesh (GoMP) launched (June 2018) a scheme-Mukhya Mantri Bakaya Bill Mafi Yojana 2018 for the poor people living within the State, under which the outstanding arrears of electricity bills as on 30 June 2018 are to be waived off for the registered labour and Below Poverty Line consumers. The amount waived off by the Company under scheme was Rs.859.33 crore and booked the same as bad debts written off of Rs.762.68 crore after adjustment of Provision for Bad and Doubtful debts written back for Rs.96.65 crore. Since the waiver off has arisen due to withdrawal of demand as per GoMP scheme which is distinct from the ordinary activities of the Company and are not expected to recur frequently or regularly, it is an exceptional item, which should have been shown under exceptional item in Statement of Profit and Loss.</p> <p>Not doing so has resulted in over statement of Loss before exceptional items &amp; tax and understatement of loss before tax for the year 2018-19 to the extent of Rs.762.68 Crore.</p>	The suggestion of CAG, India for showing the waived off amount as an "Exceptional Item" shall be complied in the next year's Financial Statements.
2	<p><b>Notes to the Financial Statements</b></p> <p><b>Contingent Liabilities (Note 36(1))</b></p> <p>The above does not include an amount of Rs.79.43 crore toward claims made by the Consumers before the Hon'ble High Court in respect of two cases. The Hon'ble High Court has passed orders against the Company in both the cases against which the Company has filed a writ petition. Since the cases are pending before the Hon'ble High Court, the Company should have disclosed the same under Contingent Liabilities.</p>	The suggestion of CAG, India for disclosing the fact as "Contingent liability" shall be complied in the next year's Financial Statement.



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

S. NO.	CAG COMMENTS / OBSERVATION	REPLY OF MPPKVCL, INDORE
3	<b>Independent Auditors' Report</b>  A reference is invited to point number 2 of the Annexure C to Independent Auditors Report, wherein the Statutory Auditors reported, in Compliance to Directions of CAG of India issued under Section 143 (5) of the Companies Act, 2013, that during the year the Company has written off debts amounting to Rs.495.87 crore and interest amounting to Rs.213.47 Crore. However, during the current year 2018-19, the Company had written off debts amounting to Rs.762.68 crore after adjustment of provision of Bad and Doubtful debts written back by Rs.96.65 crore.	Since, the observation pertains to Audit Report issued by the statutory auditor of the Company. Hence, the observation of CAG, India has been communicated to statutory auditor M/s. Fadnis & Gupte for further necessary action.

**Chief Financial Officer  
MPPKVCL, Indore**

**Managing Director  
MPPKVCL, Indore**



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

### Replies on Observations of Statutory Auditors on Annual Financial Statements FY 2018-19

S. NO	Heading/S.No. in Auditor's Report	Statutory Auditor's Observation	Reply of MPPKVCL. Indore
1	<b>Basis for Qualified Opinion</b>		
(i)	(i)	<p>Due to difference in billing cycle/collection, there is a difference in the balances between the amounts of receivables as per the Consumer Subsidiary Ledgers &amp; Sundry Debtors for Sale of Power shown in the Financial Statements amounting to Rs.258.15 crores, the Sundry Debtors for Sale of Power shown in the Financial Statements being short to this extent.</p>	<p>Due to difference in billing cycle/collection and accounting procedures, there is a difference in the balances between the amounts of receivables shown as per Consumer Subsidiary Ledgers and Sundry Debtor for Sale of Power in Financial Statements is amounting to Rs.258.15 Crore as on Balance Sheet date which does not have any material impact on the financial statement.</p> <p>Also, all field offices have been directed to conduct reconciliation of balances as per Consumer Subsidiary Ledger (i.e. R-15) vis-à-vis amount appearing in Sundry Debtor for Sale of Power in Financial Statements of the Company.</p>
2	<b>Emphasis of matter &amp; Other Matter paragraph</b>	In these paragraphs, attention of members are invited by the Auditor on some items of Significant Accounting Policies in Note No. 43 of the Annual Financial Statements of the company without qualifying his Audit opinion, hence replies for such item is not required to be provided.	
3	<b>Report on Other and Regulatory</b>	In this section, the auditor report on other Legal and Regulatory Requirements under the Companies Act, hence replies for such item is not required to be provided.	



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

S. NO	Heading/S.No. in Auditor's Report	Statutory Auditor's Observation	Reply of MPPKVCL, Indore
(i)	<b>Annexure-"A" To The Auditor's Report</b>		
(ii)	<b>1(b)</b>	<p>As informed and explained to us, the management, during the year, has physically verified the items of the fixed assets of the company at reasonable intervals.</p> <p>However, item wise and location wise details of assets physically verified were not provided to us. Therefore, we are unable to comment on the efficacy of physical verification and discrepancies, if any, between the physical balance and book records.</p>	<p>The Company has duly submitted physical verification certificate to auditor containing item wise and location wise details of fixed assets up to division level received from some of the field offices.</p> <p>Further, the company is in the process to conduct Physical Verification of all Fixed Assets of the Company. AEOI / RFP is being prepared with the help of M/s PWC, Consultants in this regard.</p>
(iii)	<b>1(c)</b>	<p>As informed and explained to us, the Company does not have title deeds in respect of land &amp; building transferred to the Company by erstwhile MPSEB. Further, as per the information provided to us title deeds are in the name of the Company for 55.366 hectares only out of total area of land admeasuring 404.791 hectares.</p>	<p>The Company is in the process of transfer of title deed of such land &amp; building transferred to the Company in the name of Company.</p>
5	<b>Annexure-"B" To The Auditor's Report</b>	<b>Internal Financial Controls Over Financial Reporting</b>	
	<b>I</b>	<p>The Company did not have an appropriate internal control system for reconciliation of balances as per Consumer Subsidiary Ledger and Sundry Debtors for Sale of Power.</p>	<p>All field offices have been directed to conduct reconciliation of balances as per Consumer Subsidiary Ledger (i.e. R-15) vis-à-vis amount appearing in Sundry Debtor for Sale of Power in Financial Statements of the Company.</p>

**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

S. NO	Heading/S.No. in Auditor's Report	Statutory Auditor's Observation	Reply of MPPKVCL. Indore
	<b>II</b>	The Company did not have an appropriate internal control system for identification of Slow Moving, Non- Moving and Obsolete Inventory.	<p>The Area Stores of the Company has maintained manual records of Slow Moving Items and Non-Moving Items of Inventory. A copy of the same has already been submitted to the auditor.</p> <p>Further, a ERP Report is being prepared for identification of Slow Moving Items &amp; Non-Moving and Obsolete Items in Inventory Module, of ERP System.</p>
	<b>III</b>	The Company did not have an appropriate internal control system for ageing of Capital Work in Progress for the period. There is a possibility of undercapitalization caused by delay in receipt of Completion Certificates.	<p>As per policy of the Company Capitalisation from Capital work in progress (CWIP) is being done only on receipt of Technical Certificate (Annexure-G/PCR) from the respective field offices.</p> <p>In order to comply with the said policy, many letters were issued to field offices to prepare completion certificate to cover maximum capitalisation amount.</p> <p>Further, to speed up the process and get work done on priority basis, the same has been included in monthly performance evaluation parameter (KPI) of the Circles offices of the Company.</p>

**Chief Financial Officer  
MPPKVCL, Indore**

**Managing Director  
MPPKVCL, Indore**



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**

**ANNUAL FINANCIAL STATEMENTS- FY 2018-19**

**BALANCE SHEET AS AT MARCH 31, 2019**

Amount in Rs. Crores					
S. No	Particulars	Notes	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
	<b>ASSETS</b>				
<b>(1)</b>	<b>Non-Current Assets</b>				
	(a) Property, Plant And Equipment	6.1	4,434.93	3,640.83	3,291.26
	(b) Capital Work-In-Progress	6.2	2,745.74	2,231.68	2,173.11
	(c) Other Intangible Assets	7	20.58	26.71	32.48
	(d) Financial Assets				
	(i) Investments				
	Other investments	8	-	-	-
	(ii) Loans	9A	0.00	0.00	0.01
	(iii) Other Financial Assets	10A	0.24	0.24	0.22
	(e) Non-Current Tax Assets	11A	16.07	8.20	9.92
	(f) Other Non-Current Assets	12A	489.20	468.01	122.24
	<b>Total Non-Current Assets</b>		<b>7,706.76</b>	<b>6,375.66</b>	<b>5,629.23</b>
<b>(2)</b>	<b>Current Assets</b>				
	(a) Inventories	13	182.63	136.92	94.75
	(b) Financial Assets				
	(i) Trade Receivables	14	1,601.48	1,832.42	1,821.65
	(ii) Cash And Cash Equivalents	15	560.30	961.50	558.56
	(iii) Bank Balances Other Than (ii)	15	459.17	452.39	189.17
	(iv) Loans	9B	0.02	0.01	0.01
	(v) Other Financial Assets	10B	385.20	317.17	284.63
	(c) Current Tax Assets	11B	-	-	-
	(d) Other Current Assets	12B	5,587.33	2,828.14	1,220.81
	<b>Total Current Assets</b>		<b>8,776.13</b>	<b>6,528.55</b>	<b>4,169.57</b>
	<b>Total Assets</b>		<b>16,482.89</b>	<b>12,904.22</b>	<b>9,798.80</b>
	<b>EQUITY AND LIABILITIES</b>				
<b>(1)</b>	<b>Equity</b>				
	(a) Equity Share Capital	16	5,184.41	3,159.69	2,129.84
	(b) Other Equity	17	(10,851.82)	(8,797.45)	(9,714.89)
	<b>Total Equity</b>		<b>(5,667.41)</b>	<b>(5,637.76)</b>	<b>(7,585.05)</b>
<b>(2)</b>	<b>Liabilities</b>				
	<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	18A	9,901.04	9,135.55	9,890.98
	(ii) Other Financial Liabilities	19A	1,125.52	1,031.63	914.95
	(b) Provisions	20A	3,174.13	2,748.02	2,522.66
	(c) Deferred Income	21A	2,200.95	1,866.18	1,631.83
	(d) Other Non-Current Liabilities	22A	493.88	413.21	332.08
	<b>Total Non-Current Liabilities</b>		<b>16,895.52</b>	<b>15,194.60</b>	<b>15,292.48</b>
<b>(3)</b>	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	18B	169.76	-	-
	(ii) Trade Payables	23	1,351.75	1,155.67	1,008.82
	(iii) Other Financial Liabilities	19B	3,307.96	1,850.64	791.40
	(b) Provisions	20B	173.19	136.56	136.97
	(c) Deferred Income	21B	-	-	-
	(d) Other Current Liabilities	22B	252.12	204.50	154.16
	<b>Total Current Liabilities</b>		<b>5,254.77</b>	<b>3,347.37</b>	<b>2,091.36</b>
	<b>Total Liabilities</b>		<b>22,150.29</b>	<b>18,541.97</b>	<b>17,383.85</b>
	<b>Total Equity and Liabilities</b>		<b>16,482.88</b>	<b>12,904.21</b>	<b>9,798.80</b>

Significant Accounting Policies And Notes on Financial Statements

(Note 01 To 43) forming an integral part of the Financial Statements

**As Per Our Report of Even Date**

For **FADNIS & GUPTE**

CHARTERED ACCOUNTANTS

FRN: 006600C

**CA: SUDHIR JOSHI**

PARTNER

M NO: 012368

PLACE: INDORE

DATE : 15 October 2019

**FOR AND ON BEHALF OF THE BOARD**

**(VIKAS NARWAL)**  
MANAGING DIRECTOR  
(DIN:07884369)

**(Dr. M.K.JHAWAR)**  
DIRECTOR (COMMERCIAL)  
(DIN: 07306454)

**(N. R. BIWALKAR)**  
CHIEF FINANCIAL OFFICER

**(A. KULKARNI)**  
COMPANY SECRETARY

**(Dr. SHAILESH KARDAM)**  
DY. DIRECTOR (A/C, TAX & TARIFF)



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**

**ANNUAL FINANCIAL STATEMENTS- FY 2018-19**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

<b>Amount in Rs. Crores</b>				
<b>S.No</b>	<b>Particulars</b>	<b>Notes</b>	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>
I	Revenue From Operations	24	13,581.65	12,131.98
II	Other Income	25	412.27	361.36
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>13,993.92</b>	<b>12,493.34</b>
<b>IV</b>	<b>Expenses</b>			
	(1) Purchase of Power and Transmission Expenses	26	11,090.74	10,019.21
	(2) Employee Benefits Expense	27	1,233.76	1,235.33
	(3) Finance Costs	28	921.22	944.08
	(4) Depreciation and Amortisation Expense	29	322.97	257.03
	(5) Other Expenses	30	1,002.92	596.22
<b>IV</b>	<b>Total Expenses (IV)</b>		<b>14,571.60</b>	<b>13,051.87</b>
<b>V</b>	<b>Profit/(loss) Before Exceptional Items and Tax (III - IV)</b>		<b>(577.68)</b>	<b>(558.53)</b>
<b>VI</b>	<b>Less: Exceptional Items</b>	31	<b>(153.40)</b>	<b>(188.40)</b>
<b>VII</b>	<b>Profit / (loss) Before Tax (V-VI)</b>		<b>(424.28)</b>	<b>(370.13)</b>
<b>VIII</b>	<b>Tax Expense</b>			
	<b>Total Tax Expense</b>		-	-
<b>IX</b>	<b>Profit / (Loss) For The Year (VII - VIII)</b>		<b>(424.28)</b>	<b>(370.13)</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	(i) Items that will not be recycled to P&L			
	- Remeasurement gains / (losses) on Defined Benefit Plans		(140.97)	237.72
	<b>Total Other Comprehensive Income</b>		<b>(140.97)</b>	<b>237.72</b>
<b>XI</b>	<b>Total Comprehensive Income For The Period (IX + X)</b>		<b>(565.25)</b>	<b>(132.41)</b>
<b>XII</b>	<b>Earnings Per Equity Share:</b>			
	(1) Basic EPS	32	(15.60)	(6.26)
	(2) Diluted EPS	32	(10.87)	(6.13)

Significant Accounting Policies And Notes on Financial Statements  
(Note 01 To 43) forming an integral part of the Financial Statements

**As Per Our Report of Even Date**

**For FADNIS & GUPTA**  
CHARTERED ACCOUNTANTS  
FRN: 006600C

**FOR AND ON BEHALF OF THE BOARD**

**CA: SUDHIR JOSHI**

PARTNER

M NO: 012368

PLACE: INDORE

DATE : 15 October 2019

**(VIKAS NARWAL)**  
MANAGING DIRECTOR  
(DIN:07884369)

**(N. R. BIWALKAR)**  
CHIEF FINANCIAL OFFICER

**(Dr. M.K.JHAWAR)**  
DIRECTOR (COMMERCIAL)  
(DIN: 07306454)

**(Dr. SHAILESH KARDAM)**  
DY. DIRECTOR (A/C, TAX & TARIFF)

**(A. KULKARNI)**  
COMPANY SECRETARY



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**

**ANNUAL FINANCIAL STATEMENTS- FY 2018-19**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2019**

		Amount in Rs. Crores	
S.No	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
<b>A.</b>	<b>Cash Flows From Operating Activities</b>		
	<b>Profit / (Loss) for the year</b>	(424.28)	(370.13)
	<b>Adjustments for:</b>		
(1)	Income tax expense	-	-
(2)	Allowance for Expected Credit Loss	0.00	122.05
(3)	Depreciation and Amortisation expense	322.97	257.03
(4)	Finance costs	683.88	845.60
(5)	Interest income	(74.05)	(29.73)
(6)	Net (gain) / loss on disposal of scrap materials	(19.04)	(9.66)
(7)	Sundry Creditor written back	(148.11)	(180.48)
(8)	Income from Consumer Contribution	(169.41)	(127.09)
(9)	Doubtful debts written off	762.68	237.00
(10)	Government Grant	(153.40)	(188.40)
(11)	Amortisation of supervision charges	(9.24)	-
	<b>Cash Flows From Operating Activities</b>	<b>772.01</b>	<b>556.19</b>
	<b>Movements in working capital:</b>		
(1)	(Increase) / decrease in inventories	(45.71)	(42.17)
(2)	(Increase) / decrease in trade receivables	(531.74)	(369.83)
(3)	(Increase) / decrease in loans and other financial asset	(48.27)	(29.08)
(4)	(Increase) / decrease in other assets	(2,759.18)	(1,607.34)
(5)	Increase / (decrease) in Provisions	321.76	462.68
(6)	Increase / (decrease) in trade payables	344.19	327.33
(7)	Increase / (decrease) in other financial liabilities	65.33	161.11
(8)	Increase / (decrease) in other liabilities	109.88	113.34
	<b>Cash (Used In) / Generated From Operations</b>	<b>(1,771.73)</b>	<b>(427.76)</b>
	Income taxes receipt/(paid)	(7.86)	1.72
	<b>Net Cash Generated By Operating Activities</b>	<b>(1,779.59)</b>	<b>(426.05)</b>
<b>B.</b>	<b>Cash Flows From Investing Activities</b>		
(1)	Interest received from banks and others	54.27	26.27
(2)	Proceeds from disposal of scrap materials	20.94	12.76
(3)	Receipts/(Payment) made to the government authorities	(8.02)	2.49
(4)	Deposits with banks placed	(6.78)	(263.22)
(5)	Proceeds from deposits against temporary connections	18.40	18.14
(6)	Payments for PPE, CWIP, Intangible Assets (including capital advances)	(1,523.46)	(977.44)
	<b>Net Cash Used In Investing Activities</b>	<b>(1,444.64)</b>	<b>(1,181.00)</b>
<b>C.</b>	<b>Cash Flows From Financing Activities</b>		
(1)	Proceeds from issue of Equity Shares	544.83	2,079.70
(2)	Proceeds from Grants and Consumer Contributions	657.58	549.85
(3)	Proceeds/(Re-payment) from borrowings	1,647.32	(612.09)
(4)	Finance cost paid	(26.71)	(7.47)
	<b>Net Cash From Financing Activities</b>	<b>2,823.03</b>	<b>2,009.99</b>
	<b>Net Increase Or (Decrease) In Cash Or Cash Equivalents</b>	<b>(401.20)</b>	<b>402.94</b>
	<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>961.50</b>	<b>558.56</b>
	<b>Cash And Cash Equivalents At The End Of The Year</b>	<b>560.30</b>	<b>961.50</b>



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**

**ANNUAL FINANCIAL STATEMENTS- FY 2018-19**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2019**

**Notes:**

- 1) The above statement of cash flows has been prepared under the indirect method set out in Ind AS: 7.
- 2) For the purpose of Statement of Cash Flows, Cash and Cash Equivalents comprises the followings:

<b>Amount in Rs. Crores</b>			
<b>S.No</b>	<b>Particulars</b>	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>
(a)	Balances with banks	201.29	384.93
(b)	Cash in hand	0.21	0.11
(c)	Collection suspense account	0.00	0.17
(d)	Balances with banks in form of FDR	358.81	576.29
	<b>Total Cash and Cash Equivalents</b>	<b>560.31</b>	<b>961.50</b>

3) Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financial activities are as under:

<b>Amount in Rs. Crores</b>			
<b>S.No</b>	<b>Particulars</b>	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>
	<b>Long term Borrowings</b>		
(i)	- Opening balance	9,492.97	10,105.06
(ii)	- Received during the year	2,983.25	809.42
(iii)	- Repayment made during the year	(1,190.38)	(1,421.51)
(iv)	- Changes on account of foreign currency fluctuations		
(v)	- Change on account of fair value measurement		
	<b>Total Liabilities From Financing Activities</b>	<b>11,285.84</b>	<b>9,492.97</b>

4) During the current year, the Company has entered into the following non-cash financing activities which are not reflected in the statement of cash flows:

(i) During the current financial year, the Company had an opening balance amounting to Rs. 1,969.44 crore under share application money pending allotment and additional Rs. 544.83 has been received for the subscription and allotment of 20,24,72,040 equity shares to its holding company Madhya Pradesh Power Management Company. After the said allotment the Company still holds Rs. 489.55 crore in share application pending allotment against which shares will be issued in the next financial year.

(ii) During the previous financial year, the Company had an opening balance amounting to Rs. 919.59 crore under share application money pending allotment and additional Rs. 2,079.70 has been received for the subscription and allotment of 10,29,85,185 equity shares to its holding company Madhya Pradesh Power Management Company. After the said allotment, the Company still holds Rs. 1,969.44 crore in share application pending allotment, against which the shares will be issued in the current reporting period.

Significant Accounting Policies And Notes on Financial Statements  
(Note 01 To 43) forming an integral part of the Financial Statements

**As Per Our Report of Even Date**

**For FADNIS & GUPTE**  
CHARTERED ACCOUNTANTS  
FRN: 006600C

**CA: SUDHIR JOSHI**

**FOR AND ON BEHALF OF THE BOARD**

**(VIKAS NARWAL)**  
MANAGING DIRECTOR  
(DIN:07884369)

PARTNER

M NO: 012368

PLACE: INDORE

**(N. R. BIWALKAR) (Dr. M.K.JHAWAR)**

CHIEF FINANCIAL OFFICER DIRECTOR (COMMERCIAL)  
(DIN: 07306454)

DATE : 15 October 2019

**(Dr. SHAILESH KARDAM) (A. KULKARNI)**

DY. DIRECTOR (A/C, TAX & TARIFF) COMPANY SECRETARY



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**

**ANNUAL FINANCIAL STATEMENTS- FY 2018-19**

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

**A. EQUITY SHARE CAPITAL**

Particulars	Amount in Rs. Crores
<b>Balance As At 01-04-2017</b>	<b>2,129.84</b>
Changes In Equity Share Capital During The Year	
- Issue Of Equity Share Capital	1,029.85
<b>Balance As At 31-03-2018</b>	<b>3,159.69</b>
Changes In Equity Share Capital During The Year	
- Issue Of Equity Share Capital	2,024.72
<b>Balance As At 31-03-2019</b>	<b>5,184.41</b>

**B. OTHER EQUITY**

Particulars	Other Equity			Total
	General Reserves (Insurance)	Share Application Money Pending Allotment	Retained Earnings	
<b>Balance As At 01-04-2017</b>	<b>79.22</b>	<b>919.59</b>	<b>(9,344.81)</b>	<b>(8,346.01)</b>
Prior period adjustment	-	-	(1,368.88)	(1,368.88)
<b>Balance As At 01-04-2017</b>	<b>79.22</b>	<b>919.59</b>	<b>(10,713.70)</b>	<b>(9,714.89)</b>
Profit for the year	-	-	(370.13)	(370.13)
Share Application Money Received during the year	-	2,079.70	-	2,079.70
Share Alloted during the year	-	(1,029.85)	-	(1,029.85)
OCI - Remeasurment of defined benefit obligation	-	-	237.72	237.72
<b>Balance As At 31-03-2018</b>	<b>79.22</b>	<b>1,969.44</b>	<b>(10,846.11)</b>	<b>(8,797.45)</b>
Profit for the year	-	-	(424.28)	(424.28)
Cumulated Impact of adoption of IND AS-115	-	-	(9.24)	(9.24)
Share Application Money Received during the year	-	544.83	-	544.83
Share Alloted during the year	-	(2,024.72)	-	(2,024.72)
OCI - Remeasurment of defined benefit obligation	-	-	(140.97)	(140.97)
<b>Balance As At 31-03-2019</b>	<b>79.22</b>	<b>489.55</b>	<b>(11,420.59)</b>	<b>(10,851.82)</b>

Significant Accounting Policies And Notes on Financial Statements  
(Note 01 To 43) forming an integral part of the Financial Statements

**As Per Our Report of Even Date**

**For FADNIS & GUPTE**

CHARTERED ACCOUNTANTS

FRN: 006600C

**CA: SUDHIR JOSHI**

PARTNER

M NO: 012368

PLACE: INDORE

DATE : 15 October 2019

**FOR AND ON BEHALF OF THE BOARD**

**(VIKAS NARWAL)**

MANAGING DIRECTOR

(DIN:07884369)

**(N. R. BIWALKAR)**

CHIEF FINANCIAL OFFICER

**(Dr. M.K.JHAWAR)**

DIRECTOR (COMMERCIAL)

(DIN: 07306454)

**(Dr. SHAILESH KARDAM)**

DY. DIRECTOR (A/C, TAX & TARIFF)

**(A. KULKARNI)**

COMPANY SECRETARY



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**  
**ANNUAL FINANCIAL STATEMENTS- FY 2018-19**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 6 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS**

**NOTE: 6.1 - PROPERTY, PLANT AND EQUIPMENT**

											Amount in Rs. Crores
Particulars	Freehold Land	Leasehold Land	Buildings	Other Civil Works	Plant and Machinery	Lines & Cables Networks	Vehicles	Furniture and Fixtures	Office Equipment	Capital Stores & Spares	Total Tangible Assets
<b>CURRENT YEAR - FY 2018-19</b>											
<b>A) Cost or Deemed Cost</b>											
<b>Cost As At April 01, 2018</b>	<b>4.25</b>	<b>1.11</b>	<b>98.09</b>	<b>5.89</b>	<b>1,516.78</b>	<b>2,503.64</b>	<b>1.60</b>	<b>4.77</b>	<b>62.21</b>	<b>139.44</b>	<b>4,337.77</b>
Additions	0.00	-	29.15	16.92	390.31	680.27	0.90	0.31	4.91	-	1,122.77
Disposals	-	-	-	-	(1.73)	(4.12)	(0.07)	-	-	-	(5.92)
Transferred To Project											(9.95)
<b>Cost As At March 31, 2019</b>	<b>4.25</b>	<b>1.11</b>	<b>127.24</b>	<b>22.81</b>	<b>1,905.36</b>	<b>3,179.79</b>	<b>2.42</b>	<b>5.08</b>	<b>67.12</b>	<b>129.50</b>	<b>5,444.67</b>
<b>B) Accumulated Depreciation As At April 01, 2018</b>		<b>0.24</b>	<b>10.31</b>	<b>1.20</b>	<b>293.56</b>	<b>357.72</b>	<b>0.19</b>	<b>0.57</b>	<b>18.39</b>	<b>14.76</b>	<b>696.95</b>
Charge for the period	-	0.05	5.18	0.90	114.66	172.66	0.15	0.25	9.26	13.71	316.81
Disposals	-	-	-	-	(1.18)	(2.80)	(0.05)	-	-	-	(4.02)
Other re-classifications						1.05					(1.05)
<b>Accumulated Depreciation As At March 31, 2019</b>		<b>0.29</b>	<b>15.49</b>	<b>2.09</b>	<b>408.09</b>	<b>527.58</b>	<b>0.29</b>	<b>0.82</b>	<b>27.65</b>	<b>27.42</b>	<b>1,009.74</b>
<b>C) Net Carrying Value As at March 31, 2018</b>	<b>4.25</b>	<b>0.86</b>	<b>87.78</b>	<b>4.69</b>	<b>1,223.22</b>	<b>2,145.92</b>	<b>1.41</b>	<b>4.19</b>	<b>43.82</b>	<b>124.68</b>	<b>3,640.83</b>
<b>D) Net Carrying Value As At March 31, 2019</b>	<b>4.25</b>	<b>0.82</b>	<b>111.75</b>	<b>20.71</b>	<b>1,497.27</b>	<b>2,652.21</b>	<b>2.13</b>	<b>4.25</b>	<b>39.47</b>	<b>102.07</b>	<b>4,434.93</b>
<b>Particulars</b>	<b>Freehold Land</b>	<b>Leasehold Land</b>	<b>Buildings</b>	<b>Other Civil Works</b>	<b>Plant and Machinery</b>	<b>Lines &amp; Cables Networks</b>	<b>Vehicles</b>	<b>Furniture and Fixtures</b>	<b>Office Equipment</b>	<b>Capital Stores &amp; Spares</b>	<b>Total Tangible Assets</b>
<b>PREVIOUS YEAR - FY 2017-18</b>											
<b>A) Cost or Deemed Cost</b>											
<b>Cost As At April 01, 2017</b>	<b>4.25</b>	<b>1.05</b>	<b>66.29</b>	<b>5.04</b>	<b>1,328.57</b>	<b>2,154.06</b>	<b>1.62</b>	<b>4.35</b>	<b>47.35</b>	<b>129.28</b>	<b>3,741.86</b>
Additions	-	0.06	31.80	0.85	189.58	356.22	-	0.42	14.86	10.16	603.93
Disposals	-	-	-	-	(1.37)	(6.63)	(0.02)	-	-	-	(8.03)
Transferred To Project	-	-	-	-	-	-	-	-	-	-	-
<b>Cost As At March 31, 2018</b>	<b>4.25</b>	<b>1.11</b>	<b>98.09</b>	<b>5.89</b>	<b>1,516.78</b>	<b>2,503.64</b>	<b>1.60</b>	<b>4.77</b>	<b>62.21</b>	<b>139.44</b>	<b>4,337.77</b>
<b>B) Accumulated Depreciation As At April 1, 2017</b>		<b>0.16</b>	<b>6.46</b>	<b>0.81</b>	<b>176.03</b>	<b>228.68</b>	<b>0.08</b>	<b>0.35</b>	<b>10.66</b>	<b>27.38</b>	<b>450.61</b>
Charge for the period	-	0.09	3.85	0.39	91.00	133.11	0.12	0.22	7.73	14.76	251.27
Disposals	-	-	-	-	(0.84)	(4.07)	(0.01)	-	-	-	(4.93)
Other re-classifications	-	-	-	-	27.38	-	-	-	-	-	(27.38)
<b>Accumulated Depreciation As At March 31, 2018</b>		<b>0.24</b>	<b>10.31</b>	<b>1.20</b>	<b>293.56</b>	<b>357.72</b>	<b>0.19</b>	<b>0.57</b>	<b>18.39</b>	<b>14.76</b>	<b>696.95</b>
<b>C) Net Carrying Value As at April 01, 2017</b>	<b>4.25</b>	<b>0.89</b>	<b>59.83</b>	<b>4.23</b>	<b>1,152.55</b>	<b>1,925.38</b>	<b>1.54</b>	<b>4.00</b>	<b>36.69</b>	<b>101.91</b>	<b>3,291.26</b>
<b>D) Net Carrying Value As At March 31, 2018</b>	<b>4.25</b>	<b>0.86</b>	<b>87.78</b>	<b>4.69</b>	<b>1,223.22</b>	<b>2,145.92</b>	<b>1.41</b>	<b>4.19</b>	<b>43.82</b>	<b>124.68</b>	<b>3,640.83</b>

( Dr. SHILASH KARDAM)  
DY. DIRECTOR (A/C TAX & TARIFF)

[64]

(N.R. BIWALKAR)  
CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE  
ANNUAL FINANCIAL STATEMENTS- FY 2018-19

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 6 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS**

Carrying Amount of CWIP		Amount in Rs. Crores
		Total CWIP Amount
<b>Balance As At April 01, 2017</b>		<b>2,173.11</b>
Additions		644.01
Other adjustments		-
Capitalised during the year		(585.44)
<b>Balance As At March 31, 2018</b>		<b>2,231.68</b>
Additions		1,630.85
Other adjustments		-
Capitalised during the year		(1,116.79)
<b>Balance As At March 31, 2019</b>		<b>2,745.74</b>

(Dr. SHAILESH KARDAM)  
DY. DIRECTOR (A/C, TAX & TARIFF)

(N. R. BIWALKAR)  
CHIEF FINANCIAL OFFICER



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**  
**ANNUAL FINANCIAL STATEMENTS- FY 2018-19**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 7 - OTHER INTANGIBLE ASSETS**

**A) Carrying Amount of:**

Particulars	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017	Amount in Rs. Crores
(a) Computer Software	20.58	26.71	32.48	
<b>Total</b>	<b>20.58</b>	<b>26.71</b>	<b>32.48</b>	

**B) Cost or Deemed Cost of Computer Software**

Particulars	Computer Software	Amount in Rs. Crores
<b>Balance As At April 01, 2017</b>		<b>40.21</b>
Additions		-
Disposals		-
<b>Balance As At March 31, 2018</b>		<b>40.21</b>
Additions		0.02
Disposals		-
<b>Balance As At March 31, 2019</b>		<b>40.22</b>

**C) Accumulated Amortisation**

Particulars	Computer Software
<b>Balance As At April 01, 2017</b>	<b>7.73</b>
Amortisation Expense	5.76
Disposals	-
<b>Balance As At March 31, 2018</b>	<b>13.49</b>
Amortisation Expense	6.15
Disposals	-
<b>Balance As At March 31, 2019</b>	<b>19.64</b>

**D) Net Carrying Amount (B-C)**

Particulars	Computer Software
<b>Balance As At April 01, 2017</b>	<b>32.48</b>
Additions/Adjustments	-
Disposals	-
Amortisation Expense	5.76
<b>Balance As At March 31, 2018</b>	<b>26.71</b>
Additions	0.02
Disposals	-
Amortisation Expense	6.15
<b>Balance As At March 31, 2019</b>	<b>20.58</b>

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**(N. R. BIWALKAR)**

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**NOTE: 8 - INVESTMENTS - NON CURRENT**

**I. Other Investments**

**Amount in Rs. Crores**

Particulars		As at 31-03-2019		As at 31-03-2018		As at 01-04-2017	
		Quantity Units	Amount In Rs Crs	Quantity Units	Amount In Rs Crs	Quantity Units	Amount In Rs Crs
	<b>Unquoted Investments</b>						
	<b>Investments in Equity</b>						
(a)	<b>Unsecured, considered good</b>						
i)	Investments In R.E. Co-Operative Society	-	1.37	-	1.37	-	1.37
	Less:						
	Provision For Dimunition In Value	-	(1.37)	-	(1.37)	-	(1.37)
	<b>Total - Investments</b>	-	-	-	-	-	-
	<b>Total - Other Non-Current Investments</b>	-	-	-	-	-	-

**Additional Information**

**Amount in Rs. Crores**

Particulars		As at 31-03-2019		As at 31-03-2018		As at 01-04-2017	
		Quantity Units	Amount In Rs Crs	Quantity Units	Amount In Rs Crs	Quantity Units	Amount In Rs Crs
a)	Aggregate Amount Of Investments And Market Value	-	-	-	-	-	-
b)	Aggregate Amount Of Unquoted Investments	-	1.37	-	1.37	-	1.37
c)	Aggregate Amount Of Impairment In Value	-	(1.37)	-	(1.37)	-	(1.37)

**Note:**

- 1) The fair value of investment in REC society (Unlisted) is not ascertainable due to non-availability of its financial statement. However, due to huge losses incurred by the society, the Company has made full provision against the Loans /Investment in such REC society.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 9 - LOANS**

**A. Non-Current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
<b>I) Loans to Employees</b>			
Considered good - Unsecured	0.00	0.00	0.01
<b>II) Loans to REC Society</b>			
a) Considered good - Unsecured	-	-	-
b) Credit Impaired	3.74	3.74	3.74
c) Less: Allowance for credit losses	(3.74)	(3.74)	(3.74)
<b>Total Non-Current Loans</b>	<b>(0.00)</b>	<b>0.00</b>	<b>0.01</b>

**B. Current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
<b>I) Loans to Employees</b>			
a) Considered good - Unsecured	0.02	0.01	0.01
<b>Total Current Loans</b>	<b>0.02</b>	<b>0.01</b>	<b>0.01</b>

**Note:**

- 1) The fair value of investment in REC society (Unlisted) is not ascertainable due to non-availability of its financial statement. However, due to huge losses incurred by the society, the Company has made full provision against the Loans /Investment in such REC society.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 10 - OTHER FINANCIAL ASSETS**

**A. Non-Current**

Particulars	As at 31-03-2019	As at 31-03-2018	Amount in Rs. Crores As at 01-04-2017
(a) Security Deposits	0.24	0.24	0.22
<b>Total Other Non-Current Financial Assets</b>	<b>0.24</b>	<b>0.24</b>	<b>0.22</b>

**B. Current**

Particulars	As at 31-03-2019	As at 31-03-2018	Amount in Rs. Crores As at 01-04-2017
(a) Interest accrued and due	33.11	13.33	9.87
(b) Interest accrued and but not due	0.00	0.00	0.00
(c) Amount recoverable from employees	0.21	0.21	0.19
(d) Other claims & Receivables	24.76	24.86	57.16
(e) Provision for Unbilled Revenue	327.31	278.94	209.66
(f) Receivable from Franchisee	19.36	19.36	19.36
(g) Other receivables	0.00	0.03	0.03
<u>Less:</u> (h) Impairment on Receivable	(19.57)	(19.57)	(11.63)
<b>Total Other Current Financial Assets</b>	<b>385.20</b>	<b>317.17</b>	<b>284.63</b>

**Note:**

- 1) See note: 43(I) regarding Impairment on Franchisee Receivables

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 11 - TAX ASSETS**

**A. Non-current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) TDS Receivable	16.07	8.20	9.92
<b>Total Non Current Tax Assets</b>	<b>16.07</b>	<b>8.20</b>	<b>9.92</b>

**B. Current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) TDS Receivable and Advance Tax	-	-	-
<b>Total Current Tax Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 12 - OTHER ASSETS**

**A. Non-Current**

Particulars	As at 31-03-2019	As at 31-03-2018	Amount in Rs. Crores As at 01-04-2017
(a) Capital Advance (Unsecured, considered good)	477.39	464.21	115.95
(b) Deposit with Govt. / Court	11.37	3.29	3.42
(c) Input tax Rebate/VAT Receivable	0.44	0.51	2.87
<b>Gross Other Non-Current Assets</b>	<b>489.20</b>	<b>468.01</b>	<b>122.24</b>
Less: Allowance for Bad and Doubtful	-	-	-
<b>Total Other Non-Current Assets</b>	<b>489.20</b>	<b>468.01</b>	<b>122.24</b>
<b>Classification Of Non Current Assets:</b>			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	489.20	468.01	122.24
(c) Doubtful	-	-	-
<b>Gross Other Non-Current Assets</b>	<b>489.20</b>	<b>468.01</b>	<b>122.24</b>

**B. Current**

Particulars	As at 31-03-2019	As at 31-03-2018	Amount in Rs. Crores As at 01-04-2017
(a) Advances to staff	0.31	0.25	0.42
(b) Advances for O&M Supplies/Works	1.44	1.52	1.53
(c) Advance payment made to MPPMCL *	4,064.49	2,792.55	1,114.70
(d) Prepaid expenses	0.16	0.18	0.17
(e) Receivable from Govt. For Subsidy  (Unsecured, considered good)	1,520.92	33.65	103.98
<b>Total Other Current Assets</b>	<b>5,587.33</b>	<b>2,828.14</b>	<b>1,220.81</b>
<b>Classification Of Other Current Assets:</b>			
(a) Secured, considered good	1.44	1.52	1.53
(b) Unsecured, considered good	5,585.89	2,826.63	1,219.28
(c) Doubtful	-	-	-
<b>Gross Other Current Assets</b>	<b>5,587.33</b>	<b>2,828.14</b>	<b>1,220.81</b>

**Note:**

- 1) See note: 43(B) for cash flow mechanism

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 13 - INVENTORIES**

(Lower Of Cost And Net Realisable Value)

**Amount in Rs. Crores**

<b>Particulars</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>	<b>As at 01-04-2017</b>
(a) Stock of materials at stores	147.57	100.96	58.94
(b) Material pending inspection	27.83	27.23	13.74
(c) Other Material Accounts	0.74	-	14.55
(d) Scrap material held for sale	4.04	6.76	5.22
(e) Material at site (Capital)	19.28	135.44	134.64
Less: Liability of suppliers for material at site	(19.28)	(135.44)	(134.64)
(f) Sundry Debtors - Trading account	2.45	1.97	2.30
<b>Total Inventories</b>	<b>182.63</b>	<b>136.92</b>	<b>94.75</b>

**Note:-**

- 1) The cost of inventories recognised as expenses include 39.58 crores for the year ended 31st March, 2019 (Previous year Rs. 36.11 crores)

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 14 - TRADE RECEIVABLES**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
<b>Receivable from Consumers for Sale of Power</b>			
(a) Unsecured, considered good	2,381.40	2,599.80	2,385.66
(b) Unsecured, considered doubtful	414.04	426.58	515.63
Less: Allowance for Expected Credit Losses	(1,193.96)	(1,193.96)	(1,079.64)
<b>Total Trade Receivables -NET</b>	<b>1,601.48</b>	<b>1,832.42</b>	<b>1,821.65</b>

**Note:**

1) See note: 43(P) for ECL

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 15 - CASH AND CASH EQUIVALENTS**

**Amount in Rs. Crores**

<b>Particulars</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>	<b>As at 01-04-2017</b>
<b>Cash and Cash Equivalents</b>			
(a) Balances with banks	201.29	384.93	240.38
(b) Cheque, Drafts in hand	-	-	-
(c) Cash in hand	0.21	0.11	0.07
(d) Cash in transit	-	-	-
(e) Collection suspense account	0.00	0.17	0.01
(f) Balances with banks in form of FDR (FDRs having maturity less than 3 months)	358.81	576.29	318.10
(g) Other bank balances	-	-	-
<b>Total Cash And Cash Equivalents</b>	<b>560.30</b>	<b>961.50</b>	<b>558.56</b>
<b>Other Bank Balances</b>			
(h) Balances with banks in form of FDR (FDRs having maturity more than 3 months but less than 12 months)	459.17	452.39	189.17
<b>Total Cash And Bank Balance</b>	<b>1,019.47</b>	<b>1,413.89</b>	<b>747.73</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 16 - EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2019	As at 31-03-2018	Amount in Rs. Crores As at 01-04-2017
<b>A) Authorised Share Capital:</b>			
75,00,00,000 Fully Paid-Up Equity Shares of Rs. 100 Each (As At 31.03.2018: 55,00,00,000 Fully Paid-Up Equity Shares of Rs. 100 Each)	7,500.00	5,500.00	5,500.00
<b>Total Authorised Share Capital</b>	<b>7,500.00</b>	<b>5,500.00</b>	<b>5,500.00</b>
<b>B) Issued And Subscribed Capital Comprises:</b>			
51,84,41,287 Fully Paid-Up Equity Shares of Rs. 100 Each (As At 31.03.2018: 31,59,69,061 Fully Paid-Up Equity Shares of Rs. 100 Each)	5,184.41	3,159.69	2,129.84
<b>Total Issued And Subscribed Capital</b>	<b>5,184.41</b>	<b>3,159.69</b>	<b>2,129.84</b>

**N-16.1 Fully Paid Equity Shares**

**Fully Paid Equity Shares**

Particulars	Number of Shares	Amount in Rs. Crores
<b>Balance as at 01.04.2017</b>	<b>212,984,061</b>	<b>2,129.84</b>
Issue of shares	102,985,185	1,029.85
<b>Balance as at 31.03.2018</b>	<b>315,969,246</b>	<b>3,159.69</b>
Issue of shares	202,472,041	2,024.72
<b>Balance as at 31.03.2019</b>	<b>518,441,287</b>	<b>5,184.41</b>

**16.2 Rights Attached To Equity Shares**

The Company has one class of equity shares having a par value of Rs. 100 each and have been issued at par for consideration other than cash. Each shareholder is eligible for one vote per share held. During the year ended March 31, 2019 no dividend has been declared or paid by the Company. There are no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

As per the directions issued by GoMP vide order number: 6071/13/12/02 dated 20/03/2012 the shares held by GoMP have been transferred to MP Power Management Company Limited. Accordingly, w.e.f. 01/04/2012, MP Power Management Company Limited is the holding Company. The entire share capital of MP Power Management Company Limited is held by the Government of Madhya Pradesh.

**16.3 Details of Shares Held By Each Shareholder Holding More Than 5% Of Shares**

	As at 31-03-2019		As at 31-03-2018		As at 01-04-2017		Amount in Rs. Crores
	No. of shares held	% of holding of shares	No. of shares held	% of holding of shares	No. of shares held	% of holding of shares	
<b>Fully Paid Equity Shares</b>							
(a) MPPMCL, Jabalpur	518,441,277	100%	315,969,236	100.00%	212,984,051	100.00%	
<b>Total</b>	<b>518,441,277</b>	<b>100%</b>	<b>315,969,236</b>	<b>100.00%</b>	<b>212,984,051</b>	<b>100.00%</b>	

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**NOTE: 16 - EQUITY SHARE CAPITAL**

**16.4 Additional Details of Equity Shares Capital Money**

(In Rs Crores)

S. No	Financial Year	Particulars / Orders of GoMP Received During the Year	Amount	Amount
1	2008-09	<b>Opening Balance (As on 01-04-2008) (After FOBS adjustment)</b>		<b>502.13</b>
2		GoMP Order No.F-5-9/2008/13 Dated 26/08/2008	36.23	
3		GoMP Order No.F-5-37/2008/13 Dated 04/09/2008	20.07	
4		GoMP Order No.F-5-38/2008/13 Dated 04/09/2008	18.20	
5		GoMP Order No.741/497/4/B-7/2008 Dated 15/10/20018	35.00	
6		GoMP Order No. 5669/13/2006 Dated 02/09/2006	15.00	
7		Received by Chq No. 048526 Dated 12-03-2009	36.23	
	<b>Sub-Total FY 2008-09</b>	<b>Amount as on 31-03-2009</b>	<b>160.72</b>	<b>662.85</b>
1	2009-10	GoMP Order No.F-5-38/2007/13 Dated 30/09/2009	14.80	
2		GoMP Order No.F-5-37/2007/13 Dated 30/09/2009	26.30	
3		GoMP Order No.F-5-37/2007/13 Dated 30/09/2009	11.00	
4		GoMP Order No.F-5-37/2007/13 Dated 01/02/2010	11.00	
5		GoMP Order No.F-5-13/2008/13 Dated 29-03-2010	2.00	
6		GoMP Order No.F-5-38/2007/13 Dated 28/01/2010	14.80	
7		GoMP Order No.F-5-09/2008/13 Dated 31/03/2010	132.90	
8		GoMP Order No.F-5-09/2008/13 Dated 31/03/2010	9.30	
9		GoMP Order No.F-5-09/2008/13 Dated 31/03/2010	285.23	
	<b>Sub-Total FY 2009-10</b>	<b>Amount as on 31-03-2010</b>	<b>507.33</b>	<b>1,170.18</b>
1	2010-11	GoMP Order No.:F-5-20/2010/13 Dated 18/06/2010	6.37	
2		GoMP Order No.:F-13/2010/13 Dated 28/08/2010	6.38	
3		GoMP Order No.:F-5-07/2010/13 Dated 29/10/2010	2.50	
4		GoMP Order No.:F-5-13/2010/13 Dated 16/11/2010	6.37	
5		GoMP Order No.:F-5-20/2010/13 Dated 22/02/2011	15.38	
6		Equity Transfer by MPSEB Dt 21/02/2011	15.87	
	<b>Sub-Total FY 2010-11</b>	<b>Amount as on 31-03-2011</b>	<b>52.87</b>	<b>1,223.05</b>
1	2011-12	GoMP Order No:F-5-13/2011/13 Dated 03/06/2011	24.00	
2		GoMP Order No:F-5-11/2011/13 Dated 03/06/2011	5.68	
3		GoMP Order No:F-5-11/2011/13 Dated 28/09/2011	1.20	
4		GoMP Order No:F-5-13/2011/13 Dated 24/09/2011	43.51	
5		GoMP Order No:F-5-11/2011/13 Dated 29/09/2011	1.64	
6		GoMP Order No:F-5-11/2011/13 Dated 24/12/2011	1.80	
7		GoMP Order No:F-5-13/2011/13 Dated 27/12/2011	12.49	
8		GoMP Order No:F-5-11/2011/13 Dated 30/12/2011	2.46	
9		GoMP Order No:F-5-11/2011/13 Dated 17/02/2012	7.42	
10		GoMP Order No:F-5-13/2011/13 Dated 28/03/2012	10.50	
11		GoMP Order No:F-5-13/2011/13 Dated 07/03/2012	90.77	
12		Equity Transfer by MPSEB Dated 28/06/2010	206.40	
	<b>Sub-Total FY 2011-12</b>	<b>Amount as on 31-03-2012</b>	<b>407.86</b>	<b>1,630.91</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 16 - EQUITY SHARE CAPITAL**

S. No	Financial Year	Particulars / Orders of GoMP Received During the Year	Amount	Amount
		<b>Opening Balance (As on 01-04-2012)</b>		
1	2012-13	GoMP Order No:F-5-12/2012/Thirteen dtd 11/01/13	40.00	1,630.91
2		GoMP Order No: F-5-13/2011/Thirteen dtd 10/01/13	43.35	
3		GoMP Order No:F-5-12/2012/Thirteen dtd 21/06/12	27.63	
4		GoMP Order No:F-5-13/2011/Thirteen dtd 10/09/12	12.35	
5		GoMP Order No:F-5-12/2012/Thirteen dtd 10/09/12	71.72	
		<b>Sub-Total FY 2012-13</b>	<b>Amount as on 31-03-2013</b>	<b>195.05</b>
1	2013-14	GoMP Order No:F-5-5/2013/Thirteen dtd 01/03/14	16.05	1,825.96
2		GoMP Order No:F-5-5/2013/Thirteen dtd 20/09/13	25.84	
3		GoMP Order No:F-5-5/2013/Thirteen dtd 20/08/13	25.84	
4		GoMP Order No:F-5-12/2013/Thirteen dtd 09/05/13	51.69	
		<b>Sub-Total FY 2013-14</b>	<b>Amount as on 31-03-2014</b>	<b>119.42</b>
1	2014-15	GoMP Order No:F-5-11/2014/Thirteen dtd 08/05/14	48.00	1,945.38
2		GoMP Order No:F-5-11/2014/Thirteen dtd 19/09/14	72.00	
		<b>Sub-Total FY 2014-15</b>	<b>Amount as on 31-03-2015</b>	<b>120.00</b>
1	2015-16	GoMP Order No:F-5-08/2015/Thirteen dtd 01/10/15	11.10	2,065.38
2		GoMP Order No:F-5-08/2015/Thirteen dtd 03/02/16	28.97	
		<b>Sub-Total FY 2015-16</b>	<b>Amount as on 31-03-2016</b>	<b>40.07</b>
1	2016-17	GoMP Order No:F-5-08/2015/Thirteen dtd 08/07/16	24.39	2,105.45
2		GoMP Order No:F-5-08/2015/Thirteen dtd 02/02/17	161.11	
3		GoMP Order No:2097/R-433/2017/Thirteen dtd 31/03/17	758.48	
		<b>Sub-Total FY 2016-17</b>	<b>Amount as on 31-03-2017</b>	<b>943.98</b>
1	2017-18	GoMP Order No:F-5-02/2017/Thirteen dated 25/09/17	97.00	3,049.43
2		GoMP Order No:F-5-08/2015/Thirteen dated 23/06/17	13.26	
3		GoMP Order No:F-5-02/2017/Thirteen dated 21/03/18	347.21	
4		GoMP Order No:F-5-04/2018/Thirteen dated 31/03/18	83.90	
5		GoMP Order No:F-5-02/2018/Thirteen dated 20/03/18	299.47	
6		GoMP Order No:F-5-02/2018/Thirteen dated 31/03/18	53.16	
7		GoMP Order No:F-5-02/2018/Thirteen dated 31/03/18	1,185.71	
		<b>Sub-Total FY 2017-18</b>	<b>Amount as on 31-03-2018</b>	<b>2079.70</b>
1	2018-19	GoMP Order No:F-5-08/2015/Thirteen dated 28/09/18	50.00	5,129.13
2		GoMP Order No:F-5-02/2018/Thirteen dated 29/05/18	5.28	
3		GoMP Order No:F-5-02/2017/Thirteen dated 25/02/19	49.10	
4		GoMP Order No:F-5-02/2018/Thirteen dated 13/02/19	256.34	
5		GoMP Order No:F-5-02/2017/Thirteen dated 26/03/19	8.48	
6		GoMP Order No:F-5-04/2018/Thirteen dated 12/03/19	81.66	
7		GoMP Order No:F-5-04/2019/Thirteen dated 31/03/19	31.98	
		GoMP Order No:F-5-02/2017/Thirteen dated 31/03/19	62.00	
		<b>Sub-Total FY 2018-19</b>	<b>Amount as on 31-03-2019</b>	<b>544.83</b>
	As on 31-MARCH-2019	<b>Bifurcation:</b>		
		<b>A) Issued &amp; Subscribed Capital</b>		<b>5,184.41</b>
		<b>B) Share App. Pending for Allotment</b>		<b>489.55</b>

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**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 17 - OTHER EQUITY**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
a) General Reserves - Other Reserves (Insurance)	79.22	79.22	79.22
b) Share Application Money Pending Allotment	489.55	1,969.44	919.59
c) Other Comprehensive Income	-	-	-
d) Surplus - Profit and loss	(11,420.59)	(10,846.11)	(10,713.70)
e) Other Balances	0.00	0.00	-
<b>Total</b>	<b>(10,851.82)</b>	<b>(8,797.45)</b>	<b>(9,714.89)</b>

**17.1: Additional Details**

Particulars	Reserves and Surplus					Total	
	General Reserves - Insurance	Share App. Pending Allotment	Retained Earnings				
			OCI	Profit and Loss	Other Balances		
a) Balance as at 01.04.2017	79.22	919.59	-	(9,344.81)	-	(8,346.01)	
b) Prior period adjustment	-	-	-	(1,368.88)	-	(1,368.88)	
c) Balance as at 01.04.2017	79.22	919.59	-	(10,713.70)	-	(9,714.89)	
d) Profit for the year	-	-	-	(370.13)	-	(370.13)	
e) Share Application Money Rec.	-	2,079.70	-	-	-	2,079.70	
f) Share Allotted during the year	-	(1,029.85)	-	-	-	(1,029.85)	
g) OCI - Remeasurement of defined benefit obligation	-	-	-	237.72	-	237.72	
h) Balance as at 31.03.2018	79.22	1,969.44	-	(10,846.11)	0.00	(8,797.45)	
i) Cumulated Impact of adoption of IND AS-115	-	-	-	(9.24)	-	(9.24)	
j) Profit for the year	-	-	-	(424.28)	-	(424.28)	
k) Share Application Money Rec.	-	544.83	-	-	-	544.83	
l) Share Allotted during the year	-	(2,024.72)	-	-	-	(2,024.72)	
m) OCI - Remeasurement of Defined Benefit Obligation	-	-	-	(140.97)	-	(140.97)	
n) Balance as at 31.03.2019	79.22	489.55	-	(11,420.59)	0.00	(10,851.82)	

**Notes:**

**1) General Reserves - Insurance**

Insurance Reserve like Insurance on property, fidelity and storage cum erection have not been created by charging profit and loss account from F.Y. 2012-13.

**2) Share App. Pending Allotment**

During current year, Share Application Money / Adjustments received from GoMP amounting to Rs. 544.83 Crores (Previous year Rs. 2079.70 crores). Out of which Amount of Rs.489.55 Crs is pending for allotment as on Balance Sheet date which would be issued to the MPPMCL - Number of Shares would be 48955427 at par of Rs. 100.

**3) Retained Earnings**

Retained Earnings are the losses of the Company till date net of appropriations.

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based upon the Company's standalone financial statements and also considering the requirements of the Companies Act, 2013. Thus, the amount reported above under retained earnings are not distributable in its entirety.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 18 - BORROWINGS**

Particulars	As at 31-03-2019	As at 31-03-2018	Amount in Rs. Crores As at 01-04-2017
<b>I. Non-Current Borrowings</b>			
<b>A) Unsecured - At Amortised Cost</b>			
a) Term Loan from PFC	-	-	-
b) Term Loan from REC	950.00	300.00	-
c) Term Loan from GoMP	1,085.26	1,182.70	1,146.25
d) Working Capital from GoMP	-	-	-
<b>B) Secured - At Amortised Cost</b>			
a) Term Loan from PFC	132.49	135.86	123.17
b) Term Loan from REC	683.50	321.65	52.12
c) Term Loan from GoMP	-	-	-
<b>C) Perpetual Loan From GoMP</b>			
Amount at the beginning of the year	7,195.33	8,569.44	7,914.62
Add: Amount Received during the year	-	-	654.82
Less: Amount Paid during the year (See Note)	(145.55)	(1,374.11)	-
<b>Amount at the End of the year</b>	<b>7,049.78</b>	<b>7,195.33</b>	<b>8,569.44</b>
<b>Total Non-Current Borrowings (A+B+C)</b>	<b>9,901.04</b>	<b>9,135.55</b>	<b>9,890.98</b>
<b>II. Current Borrowings</b>			
<b>A) Unsecured - At Amortised Cost</b>			
a) Working Capital Loan from PFC	169.76	-	-
b) Working Capital Loan from REC	-	-	-
c) Other - Working Capital Loan	-	-	-
<b>Total Current Borrowings</b>	<b>169.76</b>	<b>-</b>	<b>-</b>

**Note:**

- 1) During current year, amount received from GoMP into Perpetual Loan is NIL (Previous year amount NIL).
- 2) GoMP has converted amount of Perpetual Loan Rs 145.55 Crore in Grant during the current year (Previous year Rs. 1374.11 Crs) under UDAY Scheme (See Note: 43(L)) for UDAY Scheme.
- 3) Further, the government shall have a right to convert the outstanding amount of Perpetual Loan & Interest in to Working Capital Loan or any type of loan as decided by the government in case of Initial Public offer/Issue in future.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 18.1 - TERMS & CONDITIONS OF LONG TERMS BORROWINGS**

Lending Agency	Loan / Scheme Name	Loan Amount Sanctioned (In Rs Crs)	Balance as on 31/03/19	Balance as on 31/03/18	Interest Rate	Terms and Conditions for Repayment			Details of Security	Government Guarantee
			Principal Not Due	Principal Not Due		Moratorium Period	Principal Repayment Period	Interest Repayment		
<b>1) SECURED LOAN</b>										
PFC	ADB-III counterpart 20806003	74.13	-	-	Prevailing on disbursement date 11.5%	-	Quarterly 15th April, 15th July, 15th Oct & 15th Jan every year	Same as Principal	Hypothecation of future movable assets to the extent Rs. 74.13 Crs.	-
	RAPDRP Part-A Including SCADA Part-A	75.28	<b>54.76</b>	<b>54.76</b>	As Notified by Ministry of Finance (Currently 9%)	As per the decision of RAPDRP steering committee.	Annual Installment will pay in 10 Monthly Installment (except April and May month) starting from 15 June every year.	Interest will accrue from the date of release of loan by MoP to PFC. However payment will be due with principal installment.	Hypothecation of future assets shall be created to the extent of Rs. 75.28 Crs.	-
	RAPDRP Part-B Including SCADA Part-B	135.17	82.23	85.11	As Notified by Ministry of Finance (Currently 9%)	Up to 15/05/15 (i.e. 5 years from the sanction date 19/03/10 & 06/07/10). Further depend up on decision of RAPDRP steering committee.	Annual Installment will pay in 10 Monthly Installment starting from 15 June to 15 March every year.	Interest will accrue from the date of release of loan by MoP to PFC. However payment will be due with principal installment.	Hypothecation of future assets shall be created to the extent of Rs. 135.17 Crs.	
<b>Sub Total-A</b>		<b>284.58</b>	<b>136.99</b>	<b>139.87</b>						
REC	Feeder Separation	708.23	4.38	2.82	Prevailing at the time of Disbursement (10.75 To 11.5%)	Up to 15/01/2015	10 Equal Annual installments	QUATERLY on 20 March, June, Sept and Dec.	Hypothecation of future assets to be created out of sanctioned project loan of Company to the extent of Rs. 708.23 Crs.	Govt. Guarantee is of Rs. 171.23 Crs.
	RAPDRP Part-B	405.44	81.30	90.60	Prevailing at the time of Disbursement (10% To 11%)	Up to 15/12/2015	10 Equal Annual installments	QUATERLY on 20 March, June, Sept and Dec.	Hypothecation of all the future movables and stocks to the extent Rs. 405.44 Crs to be created on paripassu basis under RAPDRP part-B project procured out of this loan.	Govt. Guarantee is of Rs. 108.00 Crs.
	Mukhya Mantri Sthayi Krishi Pump Yojna (MMSKPY)	600.00	145.00	145.00	Prevailing at the time of Disbursement (9.25%)	3 years from first disbursement upto 15/03/2021	10 Equal Annual installments	QUATERLY on 20 March, June, Sept and Dec.	Hypothecation of all the future movables and stocks to the extent Rs. 660.00 Crs to be created on paripassu basis under MMSKPY project procured out of this loan.	-
	DDUGJY (Deen Dayal Upadhyay Gram Jyoti Yojna)	372	372	93	Prevailing at the time of Disbursement (9.50-10.50%)	3 years from first disbursement upto 15/10/2021	10 Equal Annual installments	QUATERLY on 20 March, June, Sept and Dec.	Hypothecation of all the future movables and stocks to the extent of Rs. 929.99 Crs to be created under DDUGJY project.	See Note No: 36
	IPDS (Integrated Power Development Scheme)	209.47	93.4	-	Prevailing at the time of Disbursement (9.50-10.50%)	3 years from first disbursement upto 15/10/2022	10 Equal Annual installments	QUATERLY on 20 March, June, Sept and Dec.	Hypothecation of all the future movables and stocks to the extent of Rs. 523.64 Crs to be created under IPDS project.	
	Saubhagya	95.96	-	-	Prevailing at the time of Disbursement (10.75%)	3 years from first disbursement	10 Equal Annual installments	QUATERLY on 20 March, June, Sept and Dec.	Hypothecation of all the future movables and stocks to the extent of Rs. 319.88 Crs to be created under Saubhagya project.	
<b>Sub Total - B</b>		<b>2391.10</b>	<b>696.08</b>	<b>331.42</b>						
<b>Total Secured Loans (A+B)</b>		<b>2675.68</b>	<b>833.07</b>	<b>471.29</b>						

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 18.1 - TERMS & CONDITIONS OF LONG TERMS BORROWINGS**

Lending Agency	Loan / Scheme Name	Loan Amount Sanctioned (In Rs Crs)	Balance as on 31/03/19	Balance as on 31/03/18	Interest Rate	Terms and Conditions for Repayment			Details of Security	Government Guarantee
			Principal Not Due	Principal Not Due		Moratorium Period	Principal Repayment Period	Interest Repayment		
<b>2) UNSECURED LOANS</b>										
<b>REC</b>	MTL Loan	150.00	150.00	150.00	9.15%	12 Months up to 31/03/19	24 Equal monthly installment	Monthly	-	-
	MTL Loan	150.00	150.00	150.00	9.15%					
	MTL Loan	1200.00	1200.00		9.80%	12 Months up to 31/07/19	24 Equal monthly installment	Monthly	-	Govt. Guarantee Rs. 1200 Crs.
	<b>Sub Total - A</b>	<b>1500.00</b>	<b>1500.00</b>	<b>300.00</b>						
<b>ADB</b>	ADB -2347	235 (Approx)	167.58	177.18	ADB Rates (Sum of LIBOR + 0.60%)+1%	Up to 25 March 2014	40 Equal Half Yearly Installments	Half Yearly 30 Sep and 31 Mar.	-	-
	ADB -2520	250 (Approx)	168.85	176.38	ADB Rates (Sum of LIBOR + 0.60%-0.40%)+1%	Up to 03 May 2015	40 Equal Half Yearly Installments	Half Yearly 30 Sep and 31 Mar.	-	-
	ADB -2764	270 (Approx)	197.56	208.36	ADB Rates (Sum of LIBOR + 0.60%-0.30%)+1%	Up to 15 July 2016	40 Equal Half Yearly Installments	Half Yearly 30 Sep and 31 Mar.	-	-
	ADB -2732	21.11 (Approx)	26.19	27.31	do	Up to 09 Dec 2016	do	do	-	-
	ADB -OLD (Transferred by MPSEB in FOBS)	110.24	38.81	45.49	(9% To 12%)	-	20 Equal Annual Installments	Annually on 15 March or the date of order (Varies order to order)	-	-
	ADB -2820	285 (Approx)	271.17	272.28	ADB Rates (Sum of LIBOR + 0.60%-0.20%)+1%	Up to 01 June 2017	40 Equal Half Yearly Installments	Half Yearly 30 Sep and 31 Mar.	-	-
	ADB-3066	203 (Approx)	187.85	170.22	ADB Rate (Sum of LIBOR+0.60%-0.20%+0.10%)+1%	Up to 30 April 2019	40 Equal Half Yearly Installment	Half Yearly 30 Sep and 31 Mar	-	-
<b>Term Loan</b>	Term Loan (Plan Fund)	482.88	162.94	215.86	14.50% to 16.50%	-	5 Equal Annual Installments	Annual Installments	-	-
	IPDS Loan	24.15	15.47	20.3	14.50%	-	5 Equal Annual Installments	Annual Installments	-	-
	<b>Sub Total - B</b>	<b>1881.38</b>	<b>1236.42</b>	<b>1313.38</b>						
	<b>Total Unsecured Loans (A+B)</b>	<b>3381.38</b>	<b>2736.42</b>	<b>1613.38</b>						
<b>3) SHORT TERM WORKING CAPITAL LOANS</b>										
<b>PFC</b>	STL Flexi	500	-	-	10.25%	Flexi-pay	Flexi-pay	15th of Every Month	-	-
	STL	500	169.76		10.15%	6 month from the date of disbursement	15th of Every Month	15th of Every Month	-	Govt. Guarantee Rs. 500 Crs.
	<b>Total Working Capital Loans</b>	<b>1000</b>	<b>169.76</b>	<b>0</b>						
<b>4) PP BOND</b>	-	-	-	13.70% To 17%	-	Overdue for Payment	Overdue for Payment	-	-	
<b>5) PERPETUAL LOAN FROM GOMP</b>	8569.44	7049.78	7195.33	SBI Base Rate	For interest Upto 31/03/17, however the extension proposal in under process.	-	Annually 31 mar			

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**NOTE: 18.2 - ADDITIONAL DETAILS OF GOMP BORROWINGS**

S. No	Scheme	GoMP Scheme Code	GoMP Sanction details	Loan Amount
1	IPDS	2034	F-5-05/2017/13, 09-03-17	19.25
2		2034	F-5-05/2017/13, 01-07-17	2.90
3		2034	F-5-05/2017/13, 26-03-18	2.00
	<b>Total IPDS</b>			
1	SSTD (Plan fund)	7900	F-5-11/2014/13 dt 08/05/2014	26.51
2		7900	F-5-11/2014/13 dt 19/09/2014	39.31
3		7900	F-5-11/2014/13 dt 19/03/2015	59.40
4		7900	F-5-8/2015/13 dt 01/10/2015	20.72
5		7900	F-5-8/2015/13 dt 03/02/2016	54.08
6		7900	F-5-8/2015/13 dt 08-07-16	56.92
7		7900	F-5-8/2015/13 dt 23-06-17	30.94
8		7900	F-5-8/2015/13 dt 15-02-19	25.00
	<b>Total SSTD (Plan Fund)</b>			
1	ADB SSTD (IND-2347, IND-2520, IND-2732)	7900	F-5-10/2009/13 dtd 23/03/10	22.13
2		7900	F-5-10/2009/13 dtd 30/03/10	2.62
3		7900	F-5-05/2010/13 dtd 15/02/11	51.88
4		7900	F-5-05/2010/13 dtd 31/03/11	15.49
5		7900	F-5-16/2011/13 dtd 06/07/11	3.65
6		7900	F-5-10/2011/13 dtd 26/09/11	47.30
7		7900	F-5-16/2011/13 dtd 21/11/11	5.46
8		7900	F-5-16/2011/13 dtd 06/01/12	18.28
9		7900	F-5-16/2011/13 dtd 21/03/12	11.13
10		7900	F-5-16/2011/13 dtd 30/03/12	5.77
11		7900	F-5-20/2012/13 Dtd 23/07/2012	32.23
12		7900	F-5-20/2012/13 Dtd 09/10/2012	19.71
13		7900	F-5-20/2012/13 Dtd 04/12/2012	9.32
14		7900	F-5-20/2012/13 Dtd 24/01/2013	8.29
15		7900	F-5-20/2012/13 Dtd 30/03/2013	33.05
16		7900	F-5-20/2012/13 Dtd 22/07/2013	5.64
17		7900	F-5-20/2012/13 Dtd 12/11/2013	28.71
18		7900	F-5-20/2013/13 Dtd 28/01/2014	7.06
19		7900	F-5-16/2014/13 Dtd 06/06/2014	34.37
20		7900	F-5-16/2014/13 Dtd 02/09/2014	12.43
21		7900	F-5-18/2014/13 Dtd 24/01/2015	16.36
22		7900	F-5-16/2017/13 Dtd 24-03-2017	0.56
23		7900	F-5-16/2017/13 Dtd 24-03-17	4.68
24		7900	F-5-16/2017/13 Dtd 28-03-18	9.72
25		7900	F-5-16/2017/13 Dtd 29-03-18	4.90
26	ADB-III 33/11 KV S/s & DTR meeting renovation & moderdnization (IND-3066)	7255	F-5-18/2014/13 Dtd 23/01/2015	12.18
27		7900	F-5-18/2014/13 Dtd 24/01/2015	1.96
28		7255	F-5-7/2017/13 Dtd 21-03-17	56.61
29		7255	F-5-7/2017/13 Dtd 13-11-17	26.78
30		7255	F-5-7/2017/13 Dtd 28-03-18	1.89
31		7255	F-5-7/2017/13 Dtd 28-03-18	30.58
32		7255	F-5-7/2017/13 Dtd 29-03-19	16.43
33		0	GoMP order Pending	41.61
	<b>Total ADB SSTD &amp; ADB-III</b>			
	<b>598.79</b>			

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 18.2 - ADDITIONAL DETAILS OF GOMP BORROWINGS**

S. No	Scheme	GoMP Scheme Code	GoMP Sanction details	Loan Amount
1	ADB FSP (IND-2764 & IND-2830)	5523	F-5-7/2012/13 dtd 29/03/12	32.51
2		5523	F-5-28/2012/13 Dtd 02/11/12	2.72
3		5523	F-5-28/2012/13 Dtd 24/11/12	64.83
4		5523	F-5-28/2012/13 Dtd 09/01/13	17.22
5		5523	F-5-28/2012/13 Dtd 17/01/13	32.92
6		5523	F-5-28/2012/13 Dtd 06/02/13	5.43
7		5523	F-5-28/2012/13 Dtd 04/03/13	8.31
8		5523	F-5-28/2012/13 Dtd 20/03/13	8.22
9		5523	F-5-28/2012/13 Dtd 26/03/13	3.65
10		5523	F-5-11/2013/13 Dtd 11/06/13	8.41
11		5523	F-5-11/2013/13 Dtd 13/09/13	39.62
12		5523	F-5-11/2013/13 Dtd 03/10/13	13.99
13		5523	F-5-11/2013/13 Dtd 22/11/13	9.23
14		5523	F-5-11/2013/13 Dtd 04/02/14	15.91
15		5523	F-5-11/2013/13 Dtd 18/02/14	13.96
16		5523	F-5-10/2014/13 Dtd 30/04/14	4.43
17		5523	F-5-10/2014/13 Dtd 06/06/14	2.37
18		5523	F-5-10/2014/13 Dtd 19/08/14	36.57
19		5523	F-5-10/2014/13 Dtd 26/09/14	6.85
20		5523	F-5-10/2014/13 Dtd 23/12/14	11.59
21		5523	F-5-10/2014/13 Dtd 19/02/15	16.00
22		5523	F-5-09/2015/13 Dtd 06/06/15	2.85
23		5523	F-5-09/2015/13 Dtd 14/01/16	12.70
24		5523	F-5-09/2015/13 Dtd 27/02/16	9.79
25		5523	F-5-06/2016/13 Dtd 06-09-16	9.27
26		5523	F-5-06/2016/13 Dtd 09-03-17	28.13
27		5523	F-5-06/2016/13 Dtd 22-03-17	11.60
28		5523	F-5-06/2016/13 Dtd 20-12-17	38.03
29		5523	F-5-06/2016/13 Dtd 28-03-18	22.87
30		5523	F-5-20/2018/13 Dtd 18-12-18	5.57
31		5523	F-5-20/2018/13 Dtd 18-12-18	21.66
32		5523	F-5-20/2018/13 Dtd 25-02-19	4.84
33		5523	F-5-20/2018/13 Dtd 30-03-19	0.41
34		-	GoMP order Pending	7.33
		<b>Total ADB FSP</b>		<b>529.79</b>
1	ADB Loan Transferred by erstwhile MPSEB in Op Balances			110.24
		<b>Total ADB Old</b>		<b>110.24</b>

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**NOTE: 18.2 - ADDITIONAL DETAILS OF GOMP BORROWINGS**

S. No	Scheme	GoMP Scheme Code	GoMP Sanction details	Loan Amount
1	Perpetual Loan (Conversion of Liability of Sardar Sarovar payables)	6661	F-5-4/2012/13 dtd 31-03-12	
2		6661	F-5-4/2012/13, 14-08-12	22.93
3		6661	F-5-4/2012/13, 04-09-12	10.12
4		6661	F-5-4/2012/13, 18-09-12	9.55
5		6661	F-5-4/2012/13, 13-12-12	21.92
6		6661	F-5-4/2012/13, 26-12-12	38.23
7		6661	F-5-4/2012/13, 05-03-13	24.32
8		6661	F-5-4/2012/13, 30-03-13	32.38
9		6661	F-5-4/2012/13, 07-10-13	57.92
10		6661	F-5-4/2012/13, 03-01-14	60.82
11		6661	F-5-4/2012/13, 13-02-14	15.79
12		6661	F-5-4/2012/13, 26-03-14	28.34
13		6661	F-5-4/2012/13, 03-06-14	17.20
14		7633	F-5-4/2015/13, 31-03-15	146.20
15		7633	F-5-4/2012/13, 30-12-15	73.24
16		7633	F-5-4/2012/13, 06-02-16	16.15
17		7633	F-5-4/2015/13, 31-03-16	31.73
18		7633	F-5-6/2015/13, 15-02-17	152.34
19	Perpetual Loan (Conversion of Liability of Electricity Duty ED payables)	6660	F-5-6/2012/13 dtd 31-03-12	387.09
20		6660	F-5-6/2012/13, 25-07-12	30.73
21		6660	F-5-6/2012/13, 09-08-12	33.90
22		6660	F-5-6/2012/13, 18-09-12	35.64
23		6660	F-5-6/2012/13, 07-11-12	66.29
24		6660	F-5-6/2012/13, 26-12-12	31.37
25		6660	F-5-6/2012/13, 09-01-13	33.40
26		6660	F-5-6/2012/13, 31-01-13	31.19
27		6660	F-5-6/2012/13, 25-03-13	51.70
28		6660	F-5-6/2012/13, 25-03-13	31.23
29		6660	F-5-6/2012/13, 15-05-13	10.96
30		6660	F-5-6/2012/13, 11-06-13	31.37
31		6660	F-5-6/2012/13, 22-07-13	33.80
32		6660	F-5-6/2012/13, 07-08-13	36.11
33		6660	F-5-6/2012/13, 17-10-13	37.53
34		6660	F-5-6/2012/13, 13-11-13	36.11
35		6660	F-5-6/2012/13, 23-12-13	34.65
36		6660	F-5-6/2012/13, 27-01-14	70.12
37		6660	F-5-6/2012/13, 13-02-14	34.52
38		6660	F-5-6/2012/13, 12-03-14	33.39
39		6660	F-5-6/2012/13, 28-03-14	62.05
40		6660	F-5-6/2012/13, 09-07-14	5.50
41		7632	F-5-6/2015/13, 31-03-15	452.21
42		7632	F-5-6/2015/13, 01-08-15	71.26

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**NOTE: 18.2 - ADDITIONAL DETAILS OF GOMP BORROWINGS**

S. No	Scheme	GoMP Scheme Code	GoMP Sanction details	Loan Amount
43	Contd... Perpetual Loan (Conversion of Liability of Electricity Duty ED payables)	7632	F-5-6/2015/13, 30-12-15	41.21
44		7632	F-5-6/2015/13, 20-01-16	40.09
45		7632	F-5-6/2015/13, 02-01-16	40.12
46		7632	F-5-6/2015/13, 03-11-15	134.25
47		7632	F-5-6/2015/13, 22-03-16	100.12
48		7632	F-5-6/2015/13, 11-03-16	37.43
49		7632	F-5-6/2015/13, 23-07-16	56.62
50		7632	F-5-6/2015/13, 22-08-16	40.54
51		7632	F-5-6/2015/13, 23-09-16	44.65
52		7632	F-5-6/2015/13, 20-09-16	50.41
53		7632	F-5-6/2015/13, 07-10-16	42.45
54		7632	F-5-4/2015/13, 25-02-17	116.71
55		7632	F-5-6/2015/13, 25-03-17	151.10
56	Perpetual Loan (Conversion of Loan liability)	6659	F-5-5/2012/13 dtd 31-03-12 (Note: Rs 1374.11 Cr has been Converted into Equity & grant under UDAY scheme by GoMP)	2262.61
57		8910	F-5-5/2015/13, 31-03-15	1379.23
<b>58</b>			<b>Total Perpetual Loan</b>	<b>6978.82</b>
			<b>Grand Total</b>	<b>8554.68</b>
	<i>As on 31-March, 2019</i>	<i>Bifurcation</i>		
		<i>A) Schedule 18 -Borrowings GoMP</i>		
		<i>B) Schedule 20-Other Financial Liab- B Current (a) &amp; (c) GoMP</i>		

**18.3 Additional Details of Govt. Guarantee**

S. No	Lending Agency	Name of Scheme	GoMP Order No. and Date	Validity of Guarantee	Sanctioned Guarantee	O/s Loan against Govt. Guarantee
1	REC New Delhi	Feeder Separation	F-5-24/13/2010 dtd 13.01.2011	Till Repayment of Guarantee Amount	171.23	4.38
2		RAPDRP-B	F-5-07/2011/13 dtd 04.10.2011	Till Repayment of Guarantee Amount	108.00	81.30
3		MTL	114/69/2019/B7/ DMC/Four Dtd 07.03.19	6 Months from the date of Issue	1200.00	1200.00
		STL	112/R-73 dtd 07.03.19	6 Months from the date of Issue	500.00	169.76
		<b>Total</b>			<b>1979.23</b>	<b>1455.44</b>

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**NOTE: 19 - OTHER FINANCIAL LIABILITIES**

(Classified At Amortised Cost)

**A. Non current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
a) Security Deposit From Consumers	1,125.52	1,031.63	914.95
<b>Total Other Non-Current Financial Liabilities</b>	<b>1,125.52</b>	<b>1,031.63</b>	<b>914.95</b>

**B. Current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) Current Maturity Of Long-Term Loans			
<b>(I) Secured:</b>			
(i) Term Loan from PFC	4.50	4.01	1.01
(ii) Term Loan from REC	12.58	9.77	3.80
<b>(II) Unsecured:</b>			
(i) Term Loan from PFC		-	-
(ii) Term Loan from REC	550.00	-	-
(iii) Term Loan from GoMP	151.16	130.67	117.95
(b) Deposits from suppliers/contractors	60.38	48.36	48.69
(c) Principal Re-payment overdue			
(i) Bonds (SLR)	-	-	-
(ii) Debenture (PP Bond)	5.12	5.12	5.12
(iii) Loans from PFC	6.70	2.55	1.47
(iv) On GoMP Loans	339.44	205.31	84.74
(d) Interest accrued but not due on borrowings	98.56	97.61	99.81
(e) Interest accrued and due on borrowings			
(i) Bonds (SLR)	-	0.00	0.00
(ii) Debenture (PP Bond)	0.70	0.70	0.70
(iii) Loans from PFC	28.60	11.74	6.83
(iv) On GoMP Loans	1,939.26	1,183.26	314.50
(f) Staff related liability including wage revision	71.56	87.00	85.15
(g) Registration charges for New Connection	22.30	20.28	13.52
(h) Other liabilities-MPPTCL	2.56	41.97	6.07
(i) Other miscellaneous liabilities	2.56	2.29	2.04
(j) Deposits for Supervision	11.99	-	-
<b>Total Other Current Financial Liabilities</b>	<b>3,307.96</b>	<b>1,850.64</b>	<b>791.40</b>

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**NOTE: 20 - PROVISIONS**

**A. Non current**

**Amount in Rs. Crores**

Particulars	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) Provision for Employee benefits			
(i) Retirement benefits obligations			
- Pension obligation	2,501.36	2,063.85	2,008.57
- Retirement Gratuity	308.30	286.99	241.98
(ii) Other long-term employee benefits			
- Leave Encashment	336.24	323.80	272.11
- Arrear due to 7th Pay Revision	28.23	73.38	-
<b>Total Non Current Provisions</b>	<b>3,174.13</b>	<b>2,748.02</b>	<b>2,522.66</b>

**B. Current**

**Amount in Rs. Crores**

Particulars	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) Provision for Employee benefits			
(i) Retirement benefits obligations			
- Pension obligation	103.09	73.16	74.99
- Retirement Gratuity	5.61	4.62	26.17
(ii) Other long-term employee benefits			
- Leave Encashment	24.29	7.30	35.81
- Arrear due to 7th Pay Revision	40.20	51.48	
<b>Total Current Provisions</b>	<b>173.19</b>	<b>136.56</b>	<b>136.97</b>

**Notes:**

- 1) The provision for Leave Encashment, Gratuity & Pension are based on the rates as adopted in the Actuarial Valuation carried out as at 31 March, 2019.

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**NOTE: 21 - DEFERRED INCOME**

**A. Non-Current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) Supply Affording And Other Charges	-	-	0.00
(b) Grants Towards Cost of Capital Assets	-	-	-
(c) Grants For Electrification under various schemes i.e. RGGVY, Etc.	-	118.44	123.06
(d) Deferred Income-Consumer Contribution/Grant	2,200.95	1,747.75	1,508.77
<b>Total Non Current Deferred Income</b>	<b>2,200.95</b>	<b>1,866.18</b>	<b>1,631.83</b>

**B. Current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) Supply Affording And Other Charges	-	-	-
(b) Grants Towards Cost of Capital Assets	-	-	-
(c) Grants For Electrification under various schemes i.e. RGGVY, Etc.	-	-	-
(d) Deferred Income-Consumer Contribution/Grant	-	-	-
<b>Total Current Deferred Income</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:**

- 1) The deferred revenue arises as a result of the benefit received against property, plant and equipment which has been received from Government and the customers and the revenue is recognised as other income in proportion to the depreciation of the asset (See note:2.05 & 2.18)

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**NOTE: 22 - OTHER LIABILITIES**

**A. Non-current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) Deposit Against Services	143.24	124.83	106.70
(b) Electrification Charges/ Consumer Contribution	350.64	288.38	225.38
<b>Total Other Non-Current Liabilities</b>	<b>493.88</b>	<b>413.21</b>	<b>332.08</b>

**B. Current**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(i) Liability related to various taxes	10.06	7.26	2.23
(ii) ED Payable to Government	139.41	84.64	39.68
(iii) Diff. due to FOBS (See Note: 43(A))	69.94	69.94	69.94
(iv) Advances from GoMP	0.04	11.85	13.77
(v) Other income received in advance	1.51	1.09	1.03
(vii) Other current liabilities	31.15	29.72	27.51
<b>Total Other Current Liabilities</b>	<b>252.12</b>	<b>204.50</b>	<b>154.16</b>

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**NOTE: 23 - TRADE PAYABLES**

Particulars	Amount in Rs. Crores		
	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
(a) Creditors for capital supplies			
- Dues to micro and small enterprises	-	-	-
- Others	-	-	-
(b) Creditors for supplies and services			
- Dues to micro and small enterprises	-	-	-
- Liability to supplier/contractors	580.83	475.85	347.57
- Liability for purchase of power	-	-	-
- Liability for Transmission charges	687.95	636.08	619.39
- Other liabilities towards MPPMCL	-	-	-
- Other liabilities towards MPSEB/MPPMCL	-	-	-
- Others	-	-	-
(c) Creditors for accrued wages and salaries	82.97	43.74	41.85
<b>Total Current Trade Payables</b>	<b>1,351.75</b>	<b>1,155.67</b>	<b>1,008.82</b>

**Notes:**

- 1) Dues payable to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company.

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**NOTE: 24 - REVENUE FROM OPERATIONS**

Particulars	Amount in Rs. Crores	
	Year ended 31-03-2019	Year ended 31-03-2018
<b>I. REVENUE FROM SALE OF PRODUCT</b>		
<b>(a) Revenue From Sale Of Power</b>		
(i) Domestic light and fan	2,380.81	2,309.29
(ii) Commercial light and fan	949.53	884.02
(iii) Industrial medium and low voltage	461.29	437.99
(iv) Industrial power: High Tension	3,062.22	2,688.95
(v) Public lighting	102.12	103.08
(vi) Irrigation and Agricultural Dewatering	482.00	618.56
(vii) Public water works & Sewerage Pumping	484.69	401.90
(viii) Supplies in bulk	36.15	40.21
(ix) Other Revenue from consumers	74.64	35.89
<b>Gross Revenue from Sale of Power</b>	<b>8,033.46</b>	<b>7,519.88</b>
<b>LESS:</b>		
(i) Discount to Consumers for timely payment of bills	(3.82)	(3.08)
<b>Net Revenue from Sale of Power (a)</b>	<b>8,029.64</b>	<b>7,516.81</b>
<b>(b) Revenue Subsidy From GoMP</b>		
(i) Income from Subsidy against free supply	1,965.90	1,782.97
(ii) Income from Tariff Subsidy	3,305.38	2,535.00
<b>Sub Total (b)</b>	<b>5,271.28</b>	<b>4,317.97</b>
<b>Total Revenue And Subsidy (a+b)</b>	<b>13,300.93</b>	<b>11,834.78</b>
<b>ADD:</b>		
<b>(c) Electricity Duty Recovery</b>		
(i) Electricity Duty Recovery	557.01	516.88
(ii) Other state levies recovery	-	-
<b>Total (c)</b>	<b>13,857.93</b>	<b>12,351.66</b>
<b>LESS:</b>		
<b>(d) Electricity Duty Payable</b>		
(i) Electricity duty Payable (Contra)	(557.01)	(516.88)
(ii) Other state levies Payable (Contra)	-	-
<b>Total Revenue From Sale of Product (a+b+c-d)</b>	<b>13,300.93</b>	<b>11,834.78</b>
<b>II. REVENUE FROM SALE OF SERVICES</b>		
(i) Metering charges	69.32	64.40
(ii) Wheeling/ U.I. Charges recovery	10.85	7.65
(iii) Supervision charges	21.22	18.47
<b>Total Revenue From Sale of Service</b>	<b>101.39</b>	<b>90.53</b>
<b>III. OTHER OPERATING REVENUE</b>		
(i) Delayed Payment Charges from consumers	179.33	206.68
<b>Total Revenue From Operations (I+II+III)</b>	<b>13,581.65</b>	<b>12,131.98</b>

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**NOTE: 25 - OTHER INCOME**

Particulars	Year ended 31-03-2019	Amount in Rs. Crores Year ended 31-03-2018
<b>(a) Interest Income</b>		
(i) Interest on staff loans and advances	0.19	0.19
(ii) Interest on FDR in Banks	71.37	29.71
(iii) Interest on advances to suppliers/contractors	2.58	-
(iv) Interest from banks (Other than fixed deposit)	0.00	0.00
(v) Other Income	0.10	0.02
<b>Total- (a)</b>	<b>74.24</b>	<b>29.88</b>
<b>(b) Other Non-Operating Income</b>		
(i) Income from trading (Other than power)	0.83	2.27
(ii) Income from staff welfare activities	0.02	0.10
(iii) Amount written off by MP TRANSCO (see note 43(K))	148.11	180.48
(iv) Miscellaneous Income	0.62	11.88
(v) Profit on Sale of Scrap	19.04	9.66
(vi) Amortisation of RGGVY/ CC Assets, Govt. Grant & Supp. Affor.Charges etc		
(a) RGGVY / CC-Assets	87.76	47.62
(b) Government Grant	50.23	50.23
(c) Supp. Affor./ Electrification Charges etc	31.42	29.24
<b>Total- (b)</b>	<b>338.04</b>	<b>331.48</b>
<b>Total Other Income (a+b)</b>	<b>412.27</b>	<b>361.36</b>

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**NOTE: 26 - POWER PURCHASE AND TRANSMISSION CHARGES**

Particulars	Amount in Rs. Crores	
	Year ended 31-03-2019	Year ended 31-03-2018
<b>A. Power Purchase</b>		
(i) Power Purchase from MPPMCL, Jabalpur	9,892.84	8,985.38
<b>B. Transmission Charges</b>		
(i) Transmission charges to MPPTCL, Jabalpur	1,197.91	1,033.83
<b>Total</b>	<b>11,090.74</b>	<b>10,019.21</b>

**Note:**

1) See note: 43(J) for Power Purchase & Transmission Charges

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**NOTE: 27 - EMPLOYEE BENEFIT EXPENSE**

Particulars	Year ended 31-03-2019	Amount in Rs. Crores Year ended 31-03-2018
(a) Salaries And Wages	837.76	864.09
(b) Staff Welfare Expenses	0.61	0.60
(c) Terminal Benefits		
i) Pension	307.21	278.84
ii) Gratuity	41.55	35.79
iii) Others	16.58	14.54
(d) Earned Leave Encashment	57.05	61.44
(e) Other Employee Related Expense	4.33	4.56
(f) Actuarial Valuation Impact		
<b>Gross Total</b>	<b>1,265.09</b>	<b>1,259.86</b>
Less: Employee Cost Capitalised	(31.33)	(24.53)
<b>Total Employee Benefit Expense-Net</b>	<b>1,233.76</b>	<b>1,235.33</b>

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**NOTE: 28 - FINANCE COSTS**

Particulars	Year ended 31-03-2019	Year ended 31-03-2018	Amount in Rs. Crores
(a) Interest cost on Loans			
(i) REC Loans	22.97	8.96	
(ii) PFC Loans	15.41	12.51	
(b) Interest on state government loans	745.35	852.93	
(c) Penal Interest in respect of capital liabilities	6.94	4.42	
(d) Interest to consumers	65.37	63.59	
(e) Interest on borrowings for working capital	161.42	28.16	
(f) Other interest & Finance charges	9.84	-	
(h) Cost of raising finance	0.00	0.12	
(i) Other charges	10.88	7.19	
<b>Gross Finance Costs</b>	<b>1,038.17</b>	<b>977.88</b>	
<b>Less:</b>			
i) Rebate in interest on timely payment	(0.33)	(0.46)	
ii) Interest & Finance expense capitalised (see note 43(N))	(116.63)	(33.34)	
<b>Total Finance Costs - NET</b>	<b>921.22</b>	<b>944.08</b>	

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**NOTE: 29 - DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
a) Depreciation of Plant, Property and Equipment	316.81	251.27
b) Amortisation of Intangible Assets	6.15	5.76
<b>Total Depreciation And Amortisation Expense</b>	<b>322.97</b>	<b>257.03</b>

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DY. DIRECTOR (A/C, TAX & TARIFF)

(N. R. BIWALKAR)  
CHIEF FINANCIAL OFFICER



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**

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**NOTE: 30 - OTHER EXPENSES**

**Amount in Rs. Crores**

<b>Particulars</b>	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>
<b>(a) Repairs And Maintenance Expenses</b>		
(i) Building	10.76	9.13
(ii) Plant and machinery	101.28	98.13
(iii) Lines cables and network assets	5.09	3.70
(iv) Station supplies and distribution and transmission	-	-
(v) Vehicle	1.09	0.70
(vi) Furniture and fixtures	0.14	0.15
(vii) Hydraulic works	-	-
(viii) Office equipments	0.40	0.34
(ix) Other civil works	0.55	0.84
Less: Repair and Maintenance charges Capitalised	(0.64)	(0.46)
<b>Total Repairs And Maintenance Expenses- NET</b>	<b>118.66</b>	<b>112.53</b>
<b>(b) Administrative And General Expenses</b>		
i. Rent	0.34	0.36
ii. Rates & Taxes	11.23	10.71
iii. Entry tax	0.04	3.52
iv. Commercial tax	-	-
v. Professional tax	0.00	0.00
vi. Insurance	0.02	0.01
vii. Communication expenses	6.75	9.29
viii. Legal charges	1.52	1.84
ix. Audit fees	0.46	0.50
x. Consultancy charges	1.15	1.66
xi. Technical fees	0.00	0.18
xii. Other professional charges	1.56	1.35
xiii. Conveyance & travel expenses	43.08	42.22
xiv. Servicing and contract work	24.64	18.80
xv. Electricity charges- Offices	25.48	31.71
xvi. Freight	0.21	0.49
xvii. Other expenses	14.28	8.59
Less: Administrative general expenses capitalised	(10.11)	(7.12)
<b>Total Administrative And General Expenses- NET</b>	<b>120.65</b>	<b>124.11</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 30 - OTHER EXPENSES**

Particulars	Year ended 31-03-2019	Amount in Rs. Crores Year ended 31-03-2018
<b>(c) Miscellaneous Expenses</b>		
i. Bad and Doubtful Debts- Written-off	762.68	237.00
ii. Provision for Bad and Doubtful Debts - Net (see note 43(P))	0.00	122.05
iii. Sundry Expenses	0.76	0.29
iv. Loss on Sale of Scrap	-	-
v. Small and low value written off	-	0.00
vi. Other miscellaneous expenses/Losses written off	0.17	0.24
<b>Total Miscellaneous Expenses</b>	<b>763.61</b>	<b>359.58</b>
<b>(d) Other Expenses</b>	0.00	0.00
<b>Total Other Expenses (a+b+c+d)</b>	<b>1,002.92</b>	<b>596.22</b>

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Particulars	<b>Amount in Rs. Crores</b>	
	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>
<b>A) Exceptional Income</b>		
a) Revenue Grant Under UDAY Scheme (see Note 43(L))	(153.40)	(188.40)
<b>B) Exceptional Expenses</b>	-	-
<b>Total Exceptional Item (A-B)</b>	<b>(153.40)</b>	<b>(188.40)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 32 - EARNINGS PER SHARE**

<b>Particulars</b>	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>
	<b>(Rs. Per Share)</b>	<b>(Rs. Per Share)</b>
a) Basic Earnings Per Share	(15.60)	(6.26)
b) Basic And Diluted Earnings Per Share	(10.87)	(6.13)

**32.(1) BASIC AND DILUTED EARNINGS PER SHARE**

The Earnings and Weighted Average Number of Equity Shares used in the calculation of Basic and Diluted Earnings Per Share are as follows:-

<b>Particulars</b>	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>
	<b>(Rs. Per Share)</b>	<b>(Rs. Per Share)</b>
a) Earnings used in the calculation of Basic and diluted EPS	(565.25)	(132.41)
b) Weighted Average Number Of Outstanding Equity Shares	36.23	21.15
<b>c) Basic and Diluted Earning Per Share (a/b)</b>	<b>(15.60)</b>	<b>(6.26)</b>

**32.(2) DILUTED EARNINGS PER SHARE**

The earnings used in the calculation of diluted earnings per share are as follows:

<b>Particulars</b>	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>
	<b>(Rs. Per Share)</b>	<b>(Rs. Per Share)</b>
a) Earnings used in the calculation of Basic EPS	(565.25)	(132.41)
b) Weighted Average Number Of Outstanding Equity Shares	52.02	21.61
<b>c) Diluted Earning Per Share (a/b)</b>	<b>(10.87)</b>	<b>(6.13)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 33 - FINANCIAL INSTRUMENTS**

**NOTE: 33.1 Categories of Financial Instruments**

Particulars	Amount in Rs. Crores	
	As at 31-03-2019	As at 31-03-2018
<b>Financial assets</b>		
(i) Mandatorily measured at fair value through profit and loss		
(a) Investments	-	-
(ii) Measured at amortised cost		
(a) Cash and bank balances	1,019.47	1,413.89
(b) Loans	0.02	0.01
(c) Trade receivables	1,601.48	1,832.42
(d) Other financial assets	385.44	317.40
(iii) Financial assets carried at cost		
<b>Sub-Total</b>	<b>3,006.40</b>	<b>3,563.72</b>
<b>Financial liabilities</b>		
Measured at amortised cost		
(a) Borrowings	10,070.79	9,135.55
(b) Trade payables	1,351.75	1,155.67
(c) Other financial liabilities	4,433.48	2,882.27
<b>Sub-Total</b>	<b>15,856.02</b>	<b>13,173.48</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 33 - FINANCIAL INSTRUMENTS**

**NOTE: 33.2 Capital Management**

The company's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern; and
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, share application money pending allotment and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework. The Company is not subject to any externally imposed capital requirements.

**NOTE: 33.3 Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are generated from its operations and other financial assets measured at amortised cost.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Diversification of bank deposits. Cash flow mechanism notified by Government of Madhya Pradesh.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Monitoring of interest rates. Mix portfolio of fixed and floating interest bearing loans. Interest rates are unhedged

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## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE ANNUAL FINANCIAL STATEMENTS- FY 2018-19

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE: 33 - FINANCIAL INSTRUMENTS

##### Risk management framework

Managing Director and Chief Financial Officer of the Company evaluates and manages the uncertainties in the Company. They conduct meetings at regular intervals involving other high level officers of the company and provides updates to the Audit Committee/Board.

The management of financial risks by the Company is summarized below:-

##### NOTE: 33.3.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of accounts receivable balances on sale of electricity is based on tariff rate approved by electricity regulator, loans and advances and from its financing activities due to deposits with banks and financial institutions and other financial instruments.

##### A. Credit Risk Management:

A default on a financial asset is when the counterparty fails to make contractual payments for HT customers within 1 year of when they fall due for LT customers within 15 days of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

##### I. Trade Receivables

The Company primarily provides electricity distribution facilities to general public in Madhya Pradesh, broadly divided in two groups namely, high tension consumers and low tension consumers. Company has a receivable security mechanism in the form of security deposits obtained at the time of issuing connections to its consumers. Considering the volume and nature of trade receivables, management believes that trade receivables do not have significant credit risk if it is outstanding for not more than 1 year from the date they fall due. For trade receivables outstanding for more than 1 year, management provides for credit loss based on lifetime expected credit loss model.

##### II. Cash and cash equivalents

The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE: 33 - FINANCIAL INSTRUMENTS**

**III. Deposits with banks and financial institutions**

Term deposits are placed with public sector banks and have negligible credit risk.

**IV. Loans To Employees**

The erstwhile MPSEB /Company has given loans to its Employees. The risk of default in respect of these loans is considered negligible.

**V. Other financial assets**

The Company has given advances to various other parties. Management believes that these are current in nature and are collectible in full. The risk of default in respect of these advances is considered insignificant.

**C. Provision for expected credit losses**

**(A) Financial Assets For Which Loss Allowance Is Measured Using 12 Month Expected Credit Losses**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

**(B) Financial Assets For Which Loss Allowance Is Measured Using Life Time Expected Credit Losses**

The Company has a receivable security mechanism in the form of security deposits obtained at the time of issuing connections to its consumers. For trade receivables outstanding for more than 1 year, management provides for credit loss based on lifetime expected credit loss model.

**NOTE: 33.3.2 Liquidity Risk**

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows and matching the maturity profiles of financial assets and liabilities.

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**NOTE: 33 - FINANCIAL INSTRUMENTS**

The Company depends on Cash Flow Mechanism notified by Government of Madhya Pradesh dated March 29, 2012 and external sources of liquidity to provide working capital and to fund capital expenditure. As per the Cash Flow Mechanism, the revenue collections of the Company are remitted to the Madhya Pradesh Power Management Company Limited ("the Holding Company") and in turn the Holding Company remits funds to the Company for meeting working capital and other liquidity requirements, as per the requests raised by the Company from time to time.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt and total equity, including perpetual loan from Government of Madhya Pradesh.

**A) Expected Maturity For Non-Derivative Financial Assets**

Particulars	Amount in Rs. Crores						
	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total	Carrying Amount
<b>March 31, 2019</b>							
Non-interest bearing							
a) Trade receivables	949.95	237.49	414.04	-	-	<b>1,601.48</b>	<b>1,601.48</b>
b) Loans	0.02	-	-	-	-	<b>0.02</b>	<b>0.02</b>
c) Other financial assets	326.98	33.33	24.90	-	0.24	<b>385.45</b>	<b>385.44</b>
<b>March 31, 2018</b>							
Non-interest bearing							
a) Trade receivables	1,013.61	249.40	569.41	-	-	<b>1,832.42</b>	<b>1,832.42</b>
b) Loans			0.01	-	-	<b>0.01</b>	<b>0.01</b>
c) Other financial assets	280.80	3.65	26.18	6.78	-	<b>317.40</b>	<b>317.40</b>

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**NOTE: 33 - FINANCIAL INSTRUMENTS**

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn based on the undiscounted cashflows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include both interest and principal cashflows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**B) Expected maturity for Non-derivative financial liabilities**

Particulars	Amount in Rs. Crores						
	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total	Carrying Amount
<b>March 31, 2019</b>							
a) Borrowings	84.49	85.27	-	1,561.65	8,339.38	<b>10,070.79</b>	<b>10,070.79</b>
b) Trade payables	82.97	938.72	330.06	-	-	<b>1,351.75</b>	<b>1,351.75</b>
c) Other financial liabilities	2,401.92	45.60	860.44	-	1,125.52	<b>4,433.48</b>	<b>4,433.48</b>
<b>March 31, 2018</b>							
a) Borrowings	-	-	-	892.12	8,243.43	<b>9,135.55</b>	<b>9,135.55</b>
b) Trade payables	232.48	681.18	242.01	-	-	<b>1,155.67</b>	<b>1,155.67</b>
c) Other financial liabilities	1,408.68	28.56	313.91	99.49	1,031.63	<b>2,882.27</b>	<b>2,882.27</b>

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**NOTE: 33 - FINANCIAL INSTRUMENTS**

**33.3.3 Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

**i) Foreign currency risk**

The Company is not exposed to foreign currency risk since all of its financial assets and financial liabilities are denominated in INR.

**ii) Interest rate risk**

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in INR.

**iii) Other price risk**

The Company's exposure to equity securities price risk arises from investments held by the Company in listed securities. However, at the reporting date since the company does not holds quoted securities. It is not exposed to price risk.

**NOTE: 34. FAIR VALUE MEASURMENTS**

**NOTE: 34.1 Fair Value of Compaines financial asset that are measured at Fair Value on a Recuuring Basis**

The Company has no such financial asset.

**NOTE: 34.2 Fair value disclosures of the financial assets and liabilities that are not measured at fair value (but fair value disclosures are required):-**

The disclosure relating to the fair values of financial assets and financial liabilities that are measured at other than fair value are not required as the management of the Company has determined the carrying amount of such financial assets and liabilities appoximates the

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**NOTE: 35 - RELATED PARTY TRANSACTIONS**

As per the directions issued by the GoMP vide order no: 6071/13/12/02 dated 20/03/2012 the share hold by Government of MP have been transferred to MP Power Management Company Limited. Accordingly w.e.f. 01/04/2012, MP Power Management Company Limited become the Holding Company. The entire Share Capital of MP Power Management Company is held by the Government of MP. Information regarding related parties as required by IND-AS-24 are as given below:

**A) Holding Company**

- i) MP Power Management Company Limited (MPPMCL), Jabalpur

**B) Fellow- Subsidiaries**

- i) M.P. Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur
- ii) M.P. Madhya Kshetra Vidyut Vitaran Company Limited, Bhopal

**B) Directors & Key Managerial Personnel:**

**a) Directors & Key Managerial Personnel of the Company : MPPKVCL, Indore**

- i) Shri Vikas Narwal, IAS, Managing Director -(w.e.f 11-02-2019)
- ii) Shri Akash Tripathi, IAS, Managing Director- (upto 29-01-2019)
- iii) Shri Manoj Jhawar, Director (Commercial)
- iv) Dr. M.S. Kele, Director (Technical)- (upto 23-06-2018)
- v) Shri Rakesh Jain, Director
- vi) Shri Sanjay Vatsa, Chief Financial Officer, KMP
- vii) Smt. Aradhna Kulkarni, Company Secretary, KMP (w.e.f. 18-09-2018)

**NOTE: 35.(1) Remuneration of Directors & Key Management Personnel**

The remuneration of directors and other members of key management personnel during the year are as follows:

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
<b>Remuneration to Director &amp; KMP</b>		
i) Salary / Remuneration	0.88	0.93
ii) Other Expenses & Perquisites	0.05	0.06
<b>Total</b>	<b>0.93</b>	<b>0.99</b>

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**NOTE: 35 - RELATED PARTY TRANSACTIONS**

**NOTE: 35.(2) Details of Outstanding Balance**

During the financial year, there have been Inter-Company transactions amongst the unbundled entities on account of Operational Requirements. The Receivable/ (Payable) from each of the Companies as on 31st March for the respective years are as tabulated below:

Related party		Amounts owed by/owed to Related parties as at	
		As at 31-03-2019	As at 31-03-2018
i) M.P. Poorv Kshetra V.V. Co. Ltd , Jabalpur		6.51	5.58
ii) M.P. Madhya Kshetra V.V. Co. Ltd , Bhopal		0.18	1.16
iii) MP Power Management Co. Ltd., Jabalpur		4,064.49	2,792.55

\*(The above amounts are subject to confirmation/ reconciliation with MPMCL and its other subsidiary Companies)

**NOTE: 35.(3) Loans to Related Parties/ KMP**

Details of Loans to Related Parties given / paid during the financial year are as below:-

Particulars	As at 31-03-2019	As at 31-03-2018
i) M.P. Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur	-	-
ii) M.P. Madhya Kshetra Vidyut Vitaran Company Limited, Bhopal	-	-
iii) MP Power Management Co. Ltd., Jabalpur	-	-

**NOTE: 35.(4) Details of Transaction with Related Parties**

Details of Transaction with Related Parties during the financial year are as below:-

Particulars	As at 31-03-2019	As at 31-03-2018
i) M.P. Poorv Kshetra V.V. Co. Ltd , Jabalpur	0.94	-
ii) M.P. Madhya Kshetra V.V. Co. Ltd , Bhopal	(0.99)	-
iii) MP Power Management Co. Ltd., Jabalpur	9,892.84	8,985.38

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**NOTE: 36 - CONTINGENT LIABILITIES / CONTINGENT ASSETS**

As per the management policy, Contingent liabilities are not recognised but for material amount of Rs. 1.00 Crs or more are disclosed in the financial statements of the Company. Accordingly, the contingent liabilities exceeding Rs 1.00 Crore as on date are as under:

**NOTE: 36.(1) Contingent Liabilities**

**a) Claims against the Company not acknowledged as debts**

S.No	Particulars
a)	Joint Contingent Liability, amounting of Rs. 448 Crs as informed by MPSEB for all the group companies. However, Company wise detail is not made available by MPSEB (Previous year Rs. 448 Crs.).
b)	In view of pending final settlement of PP Debenture interest liability, the interest liability on PP Debentures may arise in future, however the amount of same is not ascertainable as on date (Previous year Rs. 0.70 Crs.).
c)	During previous years MP Power Transmission Company (MPPTCL) have raised the bills for Carrying Cost. However, the same are not approved by MPERC, hence they have not been accounted-for in books of accounts of the Company till issuance of any further clarification/ guidelines of MPERC. As on Balance Sheet total amount of Carrying Cost is Rs. 162.07 Crs only (Previous year Rs. 114.68 Crs.)
d)	Demand for Service Tax on Meter Rent, Delay Payment Charges and Penalty thereon has been raised by the Commissioner (Central Excise, Customs & Service Tax) amounting to Rs. 215.62/- crore for F.Y. 2012-13, 2013-14, 2014-15 & 2015-16 vide order dated – 29/11/2018, Company has filed appeal against the said order before the Central Excise and Service Tax Appellate Tribunal (CESTAT) vide appeal no. 50513/2019.

**Note: Claims against the Company not acknowledged as debt includes:**

- 1) Demand from various statutory authorities towards above mentioned taxes is contesting by the Company at appellate authorities. It is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the Company's financial position and results of operation.
- 2) Claims of Transmission Company for supply of electricity pending for clarificaiton from MPERC those have arisen in the ordinary course of business. The Company reasonably expect that these legal actions when ultimately concluded and determined will be in favour of the Company and will not have material adverse effect on the Company's results of operation or financial position.

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**NOTE: 36 - CONTINGENT LIABILITIES / CONTINGENT ASSETS**

S.No	Particulars
1)	The West Central Railways, moved to open access for power supply in its Railway Traction Sub-Stations during January 2016. Therefore, the railways are liable to Cross Subsidy charges to the DISCOMs of Madhya Pradesh. In this connection, MP Poorva Kshetra Vidyut Vitran Company Limited (East DISCOM) was assigned as a nodal agency for collecting Cross Subsidy Charges from railways on behalf of all three DISCOMs of the State of Madhya Pradesh. Accordingly, East DISCOM raised demand of Cross Subsidy Charges amounting to Rs. 277.42 Crs from the Railways for period from January 2016 to March 2017 which includes the share of all three DISCOMs of the State. However DISCOM wise bifurcation of the figures is not available.
2)	(a) The Company is executing Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) for rural electrification and Integrated Power Development Scheme (IPDS) for Strengthening of sub-transmission and distribution network in urban areas. A tripartite agreement was entered among the GoMP, REC and DISCOMs that if any loan is taken from REC then the entire amount of loan along with interest related to DDUGJY shall be repaid by the GoMP in full. Similarly for IPDS scheme, a GoMP order was passed which stated that any loan taken by DISCOM from REC shall be repaid by the GoMP. However, the payment/reimbursement is based on the availability of budget. There is an uncertainty involved in respect of the timing of collectability and is dependent on the disbursement order to be passed by GoMP. The amount recoverable from GoMP on account of interest is Rs. 25.04 crores for the year ended March 31, 2019. Once the disbursement order is passed by GoMP, the amount shall be recorded as amount receivable from GoMP.  (b) As per the terms of tripartite agreement executed between REC, GoMP and Company, the Govt. of MP shall be the custodian of the assets created on implementation of the DDUGJY project(s). Govt. of MP have authorized the MPPKVCL to operate and maintain these assets to power supply in the project areas and derive consequential benefits out of the assets created under the project(s).

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**NOTE: 37- DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III:**

**(A) As At And For The Year Ended March 31, 2018**

Name of the entity in the Group	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Subsidiaries Indian				N.A				
<b>Total</b>	-	-	-	-	-	-	-	-

**(B) As At And For The Year Ended March 31, 2017**

Name of the entity in the Group	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Subsidiaries Indian				N.A				
<b>Total</b>	-	-	-	-	-	-	-	-

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**NOTE: 38- DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY CEA, MOP, GOVT. OF INDIA**

**A)-REVISED METHODOLOGY FOR COMPUTATION OF AT&C LOSSES:**

S.No	Particulars	Methodology	Year ended 31-03-2019
A	Input Energy (MKwh)	Energy Generated-Auxiliary Consumption + Energy Purchased (Gross)*-Energy traded/Inter-state	25,846.79
B	Transmission Losses (MKwh)		1,274.40
C	Net input Energy at Discom Pheriphery	A-B	24,572.39
D	Energy Sold (MKwh)	Energy sold to all categories of consumers excluding units of Energy Traded/ Inter-state sales.	20,598.63
E	Revenue from sale of energy (Rs.Cr)	Revenue from sale of Energy to categories of consumers (Including Subsidy Booked) but excluding Revenue from Energy Traded/ Inter-state sales.	13,927.25
F	Adjusted Revenue from sale of Energy on Subsidy received basis (Rs.Cr)	Revenue from sale of Energy (same as E above) <b>minus</b> Subsidy Booked <b>plus</b> Subsidy received against subsidy booked during the year.	13,005.68
G	Opening Debtors for sale of Energy (Rs.Cr)	Opening Debtors for sale of Energy as shown in receivables Schedule (Without deducting Provisions for Doubtful debtors). Unbilled Revenue shall not be considered as debtors.	3,026.38
H	Closing Debtors for sale of Energy (Rs.Cr)	I) Closing Debtors for sale of Energy as shown in receivables Schedule (Without deducting Provisions for Doubtful debts Unbilled Revenue shall not be considered as debtors.  II) Any Amount written off during the year directly from (i)	2,795.43  762.68
I	Adjusted Closing Debtors for sale of Energy (Rs.Cr)	H (I+II)	3,558.12
J	Collection Efficiency (%)	(F+G-I)/E*100	89.57%
K	Units realized (MKwh) = [Energy sold*Collection efficiency]	D*J/100	18,449.17
L	Units unrealized (MKwh) = [Net input Energy – Units Realized]	C-K	6,123.22
M	<b>AT&amp;C Losses (%) = [{Units Unrealized/Net input Energy}*100]</b>	<b>L/C*100</b>	<b>24.92%</b>

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**NOTE: 38- DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY CEA, MOP, GOVT. OF INDIA**

**B) DETAILS OF SUBSIDY BOOKED AND RECEIVED**

S.No	Particulars	Year ended 31-03-2019
1	Subsidy Booked during the year	5,271.28
2	Subsidy received during the year (Rs.Cr)	4,349.72
a)	Subsidy received against subsidy booked for current year (Rs.Cr)	4,316.07
b)	Subsidy received against subsidy booked for Previous year (Rs.Cr)	33.65

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**NOTE: 39 - COMMITMENTS**

<b>Particulars</b>		<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
<b>A)</b>	Estimated Amount of Contracts Remaining To Be Executed On Capital Account And Not Provided For The Following Capital Schemes		
1	ADB-PPR/ERP	48.88	61.25
2	DDUGJY	267.49	601.99
3	IPDS	207.93	362.06
4	DEPOSIT WORK	10.38	10.40
5	FSP	87.93	74.31
6	MDAS	7.68	5.97
7	R-APDRP	82.09	48.46
8	RGGVY	13.02	39.94
9	SCADA	7.03	33.74
10	SSTD	60.32	38.45
11	Saubhagya	14.33	Nil
<b>Total</b>		<b>807.08</b>	<b>1276.57</b>

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**40 - CORRECTION OF ERRORS IDENTIFIED DURING THE YEAR ENDED MARCH 31, 2019**

**40.(1) Adjustments For Error Corrections In The Balance Sheet As At March 31, 2018 And April 01, 2017**

Particulars	Notes	As at 31.03.2018			As at 31.03.2017			Amount in Rs. Crores
		Reported Figures	Adjustment For Prior Period Errors	Revised Reported Figures	Reported Figures	Adjustment For Prior Period Errors	Revised Reported Figures	
<b>I. Non-Current Assets</b>								
(i) Property, plant and equipment		3,640.83		3,640.83	3,291.26			3,291.26
(ii) Capital work-in-progress		2,231.68		2,231.68	2,173.11			2,173.11
(iii) Intangible assets		26.71		26.71	32.48			32.48
(iv) Intangible assets under development		-		-	-			-
(v) Financial assets:-								
I. Investments		-		-	-			-
II. Trade receivables		-		-	-			-
III. Loans		-		-	0.01			0.01
IV. Other financial assets		0.24		0.24	0.22			0.22
(vi) Non-current tax assets		8.20		8.20	9.92			9.92
(vii) Other non-current assets		468.01		468.01	122.24			122.24
<b>Total Non-Current Assets</b>		<b>6,375.67</b>	<b>-</b>	<b>6,375.67</b>	<b>5,629.23</b>	<b>-</b>	<b>5,629.23</b>	
<b>II. Current Assets</b>								
(i) Financial assets:-								
a. Investments		-	-	-	-	-		-
b. Trade receivables		1,832.42	-	1,832.42	1,821.65	-		1,821.65
c. Cash and cash equivalents		961.50	-	961.50	558.56	-		558.56
d. Bank balance other than (ii) above		452.39	-	452.39	189.17	-		189.17
e. Loans		0.01	-	0.01	0.01	-		0.01
f. Other financial assets		317.17	-	317.17	284.63	-		284.63
(ii) Inventories		136.92	-	136.92	94.75	-		94.75
(iii) Current tax assets		-	-	-	-	-		-
(iv) Other current assets		2,828.14	-	2,828.14	1,220.81	-		1,220.81
<b>Total Current Assets</b>		<b>6,528.55</b>	<b>-</b>	<b>6,528.55</b>	<b>4,169.57</b>	<b>-</b>	<b>4,169.57</b>	
<b>Total Assets</b>		<b>12,904.22</b>	<b>-</b>	<b>12,904.22</b>	<b>9,798.80</b>	<b>-</b>	<b>9,798.80</b>	

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**40 - CORRECTION OF ERRORS IDENTIFIED DURING THE YEAR ENDED MARCH 31, 2019**

Particulars	Notes	Reported Figures	Adjustment For Prior Period Errors	Revised Reported Figures	Reported Figures	Adjustment For Prior Period Errors	Amount in Rs. Crores
							Revised Reported Figures
<b>A. Equity</b>							
(i) Share capital		3,159.69	-	3,159.69	2,129.84	-	2,129.84
(ii) Other Equity		(7,453.16)	(1,344.28)	(8,797.44)	(8,346.01)	(1,368.88)	(9,714.89)
<b>Total Equity (Shareholders Funds Under Previous GAAP)</b>		<b>(4,293.47)</b>	<b>(1,344.28)</b>	<b>(5,637.75)</b>	<b>(6,216.16)</b>	<b>(1,368.88)</b>	<b>(7,585.04)</b>
<b>B. Non-Current Liabilities</b>							
(i) Financial liabilities							
a. Borrowings		9,135.55	-	9,135.55	9,890.98	-	9,890.98
b. Trade payables		-	-	-	-	-	-
c. Other financial liabilities		1,031.63	-	1,031.63	914.95	-	914.95
(ii) Provisions		1,031.43	1,716.60	2,748.03	1,290.75	1,231.91	2,522.66
(iii) Deferred Income		1,866.18	-	1,866.18	1,631.83	-	1,631.83
(iv) Other non-current liabilities		413.21	-	413.21	332.08	-	332.08
<b>Total Non-Current Liabilities</b>		<b>13,478.00</b>	<b>1,716.60</b>	<b>15,194.60</b>	<b>14,060.58</b>	<b>1,231.91</b>	<b>15,292.49</b>
<b>C. Current Liabilities</b>							
(i) Financial liabilities							
a. Borrowings		-	-	-	-	-	-
b. Trade payable		1,155.67	-	1,155.67	1,008.82	-	1,008.82
c. Other financial liabilities		1,859.80	(9.16)	1,850.64	791.40	-	791.40
(ii) Provisions		499.72	(363.16)	136.56	-	136.97	136.97
(iii) Deferred Income		-	-	-	-	-	-
(iv) Other current liabilities		204.50	-	204.50	154.16	-	154.16
<b>Total Current Liabilities</b>		<b>3,719.69</b>	<b>(372.32)</b>	<b>3,347.37</b>	<b>1,954.38</b>	<b>136.97</b>	<b>2,091.35</b>
<b>Total Liabilities</b>		<b>17,197.69</b>	<b>1,344.28</b>	<b>18,541.97</b>	<b>16,014.96</b>	<b>1,368.88</b>	<b>17,383.84</b>
<b>Total Equity And Liabilities</b>		<b>12,904.22</b>	<b>(0.00)</b>	<b>12,904.22</b>	<b>9,798.80</b>	<b>(0.00)</b>	<b>9,798.80</b>

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**40 - CORRECTION OF ERRORS IDENTIFIED DURING THE YEAR ENDED MARCH 31, 2019**

**40.(2) Adjustments For Error Corrections In The Statement Of Profit And Loss For The Year Ended**

Particulars	Notes	Amount in Rs. Crores		
		Reported Figures	Adjustment For Prior Period Errors	Revised Reported Figures
Revenue from operations		12,131.98	-	12,131.98
Other income		361.36	-	361.36
<b>Total Income (A)</b>		<b>12,493.34</b>	<b>-</b>	<b>12,493.34</b>
Purchase of power and transmission charges		10,019.21	-	10,019.21
Employee benefits expense		1,022.21	213.12	1,235.33
Finance costs		944.08	-	944.08
Depreciation and amortisation expenses		257.03		257.03
Other expenses		596.22	-	596.22
<b>Total Expenses (B)</b>		<b>12,838.75</b>	<b>213.12</b>	<b>13,051.87</b>
<b>Profit/(loss) before prior period items and tax (C=A-B)</b>		<b>(345.40)</b>	<b>(213.12)</b>	<b>(558.52)</b>
Exceptional Items (D)		(188.40)	-	(188.40)
<b>Profit/(loss) before tax (E = C - D )</b>		<b>(157.00)</b>	<b>(213.12)</b>	<b>(370.12)</b>
Tax expense		-	-	-
<b>Total Tax (F)</b>		-	-	-
<b>Other Comprehensive income</b>				
Items that will not be recycled to profit or loss		-	-	-
- Remeasurement gains / (losses) on defined benefit plans		-	237.72	237.72
Income tax relating to items that will not be reclassified to profit or loss		-	-	-
<b>Total other comprehensive income</b>		-	<b>237.72</b>	<b>237.72</b>
<b>Profit For The Year (G-H)</b>		<b>(157.00)</b>	<b>24.60</b>	<b>(132.40)</b>

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**40 - CORRECTION OF ERRORS IDENTIFIED DURING THE YEAR ENDED MARCH 31, 2019**

**(a) Employee related provisions**

The provision of Employee benefits pertaining to defined benefit obligation and leave encashment were not being recognised adequately since the Company were unable to obtain the Actuarial valuation reports till March 31, 2018. However, the Company has got the Actuarial valuation reports from an independent valuer in the FY 2018-19. As per the reports it has been identified that in the employee benefit expenses pertaining to prior years had not been recorded. Hence the shortfall of such expenses in the previous have been rectified and the expenses of prior years have been recorded in the year to which the expense pertains. Hence the previous year Financial has been re-stated.

Due to this restatement, the amount of provision has increased by Rs. 1,353.44 crores for the year ending March 31, 2018 (As on April 01, 2017 - Rs. 1,368.88 crores), with the corresponding impact being given to Other Equity. Further, this re-statement has increased the Total Comprehensive Income by Rs. 15.44 crores for the year ending March 31, 2018.

**(b) Regrouping**

Previous year figures have been regrouped and reclassified wherever necessary.

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

**1 Defined benefit plans :**

**Gratuity and Pension scheme:**

Gratuity is classified as Defined Benefit plan as enterprise's obligation is to provide agreed benefits, subject to minimum benefits as subscribed by the Payment of Gratuity Act, to plan members. Actuarial & Investment risks are borne by the enterprise.

**Recognition of Actuarial Gains/Losses**

All the remeasurements, comprising of actuarial gains/losses on DBO & Fair value of assets, arising during the reporting period have been recognized in full through outside of Profit & Loss account through Other Comprehensive Income.

**Discount Rate**

Discount Rate for this valuation is based on Government bonds having similar term to duration of liabilities. Due to lack of a deep & secondary bond market in India, government bond yields are used to arrive at the discount rate.

**Risk Posed by the Plan**

Gratuity is a multiple of last drawn salary paid at the time of retirement/resignation/death. The actuarial risk i.e. unusual (typically high) salary growth or turnover rate can increase the cost of providing the benefit. It can also alter timing of cashflows. This risk is borne by the employer. Gratuity is paid as lumpsum and hence there is no longevity risk involved.

**Asset Information**

The scheme is unfunded and the unfunded accrued cost is recognised through a reserve in the Accounts of the Company.

**Funding Requirements**

Currently there are no minimum funding requirements in India. The investments made by the trust are regulated by the Income Tax Act. The enterprise and the trustees should ensure compliance with the provisions of the said act.

**Special Events**

We have not been informed about any benefit improvements, curtailments & settlements during the inter-valuation period.

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

**2 Note on Leave Availment**

The principal assumptions used for the purposes of the actuarial valuations were as follows:

<b>Pension plan</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Discount rate(s)	7.30%	7.63%	6.94%
Expected rate(s) of salary increase	7.50%	7.50%	7.50%
Expected Rate of Return on Assets	NA	NA	NA
Post retirement pension increase rate	2.50%	2.50%	2.50%
Mortality	Pre retirement : IALM (2012-14) Ultimate Post retirement : LIC (1996-98) Annuitants	Pre retirement : IALM (2006-08) Ultimate Post retirement : LIC (1996-98) Annuitants	Pre retirement : IALM (2006-08) Ultimate Post retirement : LIC (1996-98) Annuitants
Employee Turnover/ Withdrawal Rate	0.25%	0.25%	0.25%
Retirement Age	62 years	62 years	60 years

<b>Gratuity plan</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Discount rate(s)	7.30%	7.63%	6.94%
Expected rate(s) of salary increase	7.50%	7.50%	7.50%
Expected Rate of Return on Assets	NA	NA	NA
Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover/ Withdrawal Rate	0.25%	0.25%	0.25%
Retirement Age	62 years	62 years	60 years

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

Leave encashment	31-Mar-19	31-Mar-18	31-Mar-17
Discount rate(s)	7.30%	7.63%	6.94%
Expected rate(s) of salary increase	7.50%	7.50%	7.50%
Expected Rate of Return on Assets	NA	NA	NA
Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover/ Withdrawal Rate	0.25%	0.25%	0.25%
Leave Availment Ratio	1.00%	1.00%	1.00%
Retirement Age	62 years	62 years	60 years

**Amount Recognized in Balance Sheet at Period-End as follows:**

<b>March 31, 2019</b>		<b>Gratuity</b>	<b>Pension</b>
Present Value of Unfunded Defined Benefit Obligation		313.91	2,604.45
Fair value of Plan Assets			
<b>Total</b>		<b>313.91</b>	<b>2,604.45</b>
Present Value of Funded Defined Benefit Obligation		-	-
Unrecognised Asset due to the Asset Ceiling		-	-
<b>Net Defined Benefit (Asset)/Liability Recognised in Balance Sheet</b>		<b>313.91</b>	<b>2,604.45</b>

<b>March 31, 2018</b>		<b>Gratuity</b>	<b>Pension</b>
Present Value of Unfunded Defined Benefit Obligation		291.62	2,137.00
Fair value of Plan Assets			
<b>Total</b>		<b>291.62</b>	<b>2,137.00</b>
Present Value of Funded Defined Benefit Obligation		-	-
Unrecognised Asset due to the Asset Ceiling		-	-
<b>Net Defined Benefit (Asset)/Liability Recognised in Balance Sheet</b>		<b>291.62</b>	<b>2,137.00</b>

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

<b>March 31, 2017</b>		<b>Gratuity</b>	<b>Pension</b>
Present Value of Unfunded Defined Benefit Obligation		268.15	2,083.56
Fair value of Plan Assets			
<b>Total</b>		<b>268.15</b>	<b>2,083.56</b>
Present Value of Funded Defined Benefit Obligation		-	-
Unrecognised Asset due to the Asset Ceiling		-	-
<b>Net Defined Benefit (Asset)/Liability Recognised in Balance Sheet</b>		<b>268.15</b>	<b>2,083.56</b>

**Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End are as follows:**

<b>Year ended March 31, 2017</b>		<b>Gratuity</b>	<b>Pension</b>
Service Cost		13.384	143.262
Net Interest Cost		13.032	72.993
Past Service Cost		-	
Administration Expenses		-	
(Gain)/Loss due to settlements/Curtailments/Terminations/Divestitures		-	
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>		<b>26.416</b>	<b>216.25</b>

<b>Year ended March 31, 2019</b>		<b>Gratuity</b>	<b>Pension</b>
Service Cost		18.77	141.54
Net Interest Cost		22.79	165.66
Past Service Cost			-
Administration Expenses		-	-
(Gain)/Loss due to settlements/Curtailments/Terminations/Divestitures		-	-
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>		<b>41.56</b>	<b>307.21</b>

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**(N.R. BIWALKAR)**  
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**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE**  
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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

<b>Year ended March 31, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Service Cost	17.48	132.25
Net Interest Cost	18.31	146.59
Past Service Cost		-
Administration Expenses		-
(Gain)/Loss due to settlements/Curtailments/Terminations/Divestitures		-
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>	<b>35.79</b>	<b>278.84</b>

**Current / Non-Current Bifurcation**

<b>March 31, 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Current Benefit Obligation	5.61	103.09
Non - Current Benefit Obligation	308.30	2,501.36
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>313.91</b>	<b>2,604.45</b>

<b>March 31, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Current Benefit Obligation	4.62	73.16
Non - Current Benefit Obligation	286.99	2,063.85
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>291.61</b>	<b>2,137.01</b>

<b>March 31, 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Current Benefit Obligation	26.17	74.99
Non - Current Benefit Obligation	241.98	2,008.57
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>268.16</b>	<b>2,083.56</b>

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**Actual Return on Plan Assets**

<b>March 31, 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Interest Income on Plan Assets	-	-
Remeasurements on Plan Assets	-	-
<b>Actual Return on Plan Assets</b>	-	-

<b>March 31, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Interest Income on Plan Assets	-	-
Remeasurements on Plan Assets	-	-
<b>Actual Return on Plan Assets</b>	-	-

<b>March 31, 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Interest Income on Plan Assets	-	-
Remeasurements on Plan Assets	-	-
<b>Actual Return on Plan Assets</b>	-	-

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**Analysis of Amounts Recognised in Other Comprehensive (Income)/Loss at Period-End**

<b>Year ended March 31, 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Amount recognized in OCI, Beginning of Period	-	-
<b>Remeasurements due to :</b>		
Effect of Change in financial assumptions	-	-
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	47.561	887.160
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-	-
Changes in asset ceiling	-	-
<b>Total remeasurements recognized in OCI</b>	<b>47.56</b>	<b>887.16</b>
<b>Amount recognized in OCI, End of Period</b>	<b>47.56</b>	<b>887.16</b>
<b>Year ended March 31, 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Amount recognized in OCI, Beginning of Period	35.23	661.77
<b>Remeasurements due to :</b>		
Effect of Change in demographic assumptions	(1.11)	49.26
Effect of Change in financial assumptions	5.46	60.01
Effect of experience adjustments	(23.61)	50.96
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-	-
Changes in asset ceiling	-	-
<b>Total charge/(gain) on remeasurements recognized in OCI</b>	<b>(19.27)</b>	<b>160.24</b>
<b>Amount recognized in OCI, End of Period</b>	<b>15.96</b>	<b>822.01</b>

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<b>Year ended March 31, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Amount recognized in OCI, Beginning of Period	47.56	887.16
<b>Remeasurements due to :</b>		
Effect of Change in demographic assumptions	(9.46)	(133.22)
Effect of Change in financial assumptions	(6.10)	(181.87)
Effect of experience adjustments	3.24	89.70
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-	-
Changes in asset ceiling	-	-
<b>Total charge/(gain) on remeasurements recognized in OCI</b>	<b>(12.33)</b>	<b>(225.39)</b>
<b>Amount recognized in OCI, End of Period</b>	<b>35.23</b>	<b>661.77</b>

**March 31, 2019**

<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss and Other Comprehensive Income year ended March, 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Amount recognized in P&L, End of Period	41.56	307.21
Amount recognized in OCI, End of Period	(19.27)	160.24
<b>Total Net Defined Benefit Cost/(Income) Recognized at Period-End</b>	<b>22.29</b>	<b>467.44</b>

**March 31, 2017**

<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss and Other Comprehensive Income year ended March, 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Amount recognized in P&L, End of Period	26.416	216.254
Amount recognized in OCI, End of Period	47.561	887.160
<b>Total Net Defined Benefit Cost/(Income) Recognized at Period-End</b>	<b>73.98</b>	<b>1,103.41</b>

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**March 31, 2018**

<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss and Other Comprehensive Income year ended March, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Amount recognized in P&L, End of Period	35.79	278.84
Amount recognized in OCI, End of Period	(12.33)	(225.39)
<b>Total Net Defined Benefit Cost/(Income) Recognized at Period-End</b>	<b>23.46</b>	<b>53.44</b>
<b>Change in the Unrecognised Asset due to the Asset Ceiling During the Period year ended March, 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Unrecognised Asset, Beginning of Period	-	-
Assets Unrecognised during the Period	-	-
<b>Unrecognised Asset, End of Period</b>	<b>-</b>	<b>-</b>
<b>Change in the Unrecognised Asset due to the Asset Ceiling During the Period year ended March, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Unrecognised Asset, Beginning of Period	-	-
Assets Unrecognised during the Period	-	-
<b>Unrecognised Asset, End of Period</b>	<b>-</b>	<b>-</b>
<b>Change in the Unrecognised Asset due to the Asset Ceiling During the Period year ended March, 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Unrecognised Asset, Beginning of Period	-	-
Assets Unrecognised during the Period	-	-
<b>Unrecognised Asset, End of Period</b>	<b>-</b>	<b>-</b>

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<b>Change in Defined Benefit Obligation during the Period year ended March, 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Defined Benefit Obligation, Beginning of Period	291.61	2,137.01
Net Current Service Cost	18.77	141.54
Interest Cost on DBO	22.79	165.66
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(19.27)	160.24
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid by Employer	-	-
Benefits Paid from Fund	-	-
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>313.90</b>	<b>2,604.45</b>

<b>Change in Defined Benefit Obligation during the Period year ended March, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Defined Benefit Obligation, Beginning of Period	268.15	2,083.56
Net Current Service Cost	17.48	132.26
Interest Cost on DBO	18.31	146.59
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(12.33)	(225.39)
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid by Employer	-	-
Benefits Paid from Fund	-	-
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>291.61</b>	<b>2,137.01</b>

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<b>Change in Defined Benefit Obligation during the Period year ended March, 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Defined Benefit Obligation, Beginning of Period	194.17	980.15
Net Current Service Cost	13.38	143.26
Interest Cost on DBO	13.03	72.99
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	47.56	887.16
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid by Employer	-	-
Benefits Paid from Fund	-	-
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>268.15</b>	<b>2,083.56</b>

<b>Change in Fair value of Plan Assets during the Period year ended March, 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Fair value of Plan Assets, Beginning of Period	-	-
Interest Income Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefits Paid from Fund	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

<b>Change in Fair value of Plan Assets during the Period year ended March, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Fair value of Plan Assets, Beginning of Period	-	-
Interest Income Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefits Paid from Fund	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>

<b>Change in Fair value of Plan Assets during the Period year ended March, 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Fair value of Plan Assets, Beginning of Period	-	-
Interest Income Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefits Paid from Fund	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

<b>Reconciliation of Balance Sheet Amount year ended March, 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Balance Sheet (Asset)/Liability, Beginning of Period	291.600	2,137.000
True-up	-	-
Total Charge/(Credit) Recognised in Profit and Loss	41.576	307.206
Total Remeasurements Recognised in OC (Income)/Loss	(19.268)	160.239
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts directly by the Company	-	-
Actual Company Contribution	-	-
Other Events	-	-
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>313.91</b>	<b>2,604.45</b>

<b>Reconciliation of Balance Sheet Amount year ended March, 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Balance Sheet (Asset)/Liability, Beginning of Period	268.15	2,083.56
True-up	-	-
Total Charge/(Credit) Recognised in Profit and Loss	35.79	278.84
Total Remeasurements Recognised in OC (Income)/Loss	(12.33)	(225.39)
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts directly by the Company	-	-
Actual Company Contribution	-	-
Other Events	-	-
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>291.60</b>	<b>2,137.00</b>

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

<b>Reconciliation of Balance Sheet Amount year ended March, 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Balance Sheet (Asset)/Liability, Beginning of Period	194.17	980.15
True-up	-	-
Total Charge/(Credit) Recognised in Profit and Loss	26.42	216.25
Total Remeasurements Recognised in OC (Income)/Loss	47.56	887.16
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts directly by the Company	-	-
Actual Company Contribution	-	-
Other Events	-	-
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>268.15</b>	<b>2,083.56</b>

<b>Asset Category as at 31 March 2019</b>	<b>Quoted Value</b>	<b>Non-Quoted Value</b>	<b>Total</b>
Government of India Securities (Central and State)	0.00%	0.00%	0.00%
High quality corporate bonds (including Public Sector Bonds)	0.00%	0.00%	0.00%
Equity shares of the Company	0.00%	0.00%	0.00%
Insurer Managed Funds & T-bills	0.00%	0.00%	0.00%
Cash (including Bank Balance, Special Deposit Scheme)	0.00%	0.00%	0.00%
Others	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

<b>Asset Category as at 31 March 2018</b>	<b>Quoted Value</b>	<b>Non-Quoted Value</b>	<b>Total</b>
Government of India Securities (Central and State)	0.00%	0.00%	0.00%
High quality corporate bonds (including Public Sector Bonds)	0.00%	0.00%	0.00%
Equity shares of the Company	0.00%	0.00%	0.00%
Insurer Managed Funds & T-bills	0.00%	0.00%	0.00%
Cash (including Bank Balance, Special Deposit Scheme)	0.00%	0.00%	0.00%
Others	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

<b>Asset Category as at 31 March 2017</b>	<b>Quoted Value</b>	<b>Non-Quoted Value</b>	<b>Total</b>
Government of India Securities (Central and State)	0.00%	0.00%	0.00%
High quality corporate bonds (including Public Sector Bonds)	0.00%	0.00%	0.00%
Equity shares of the Company	0.00%	0.00%	0.00%
Insurer Managed Funds & T-bills	0.00%	0.00%	0.00%
Cash (including Bank Balance, Special Deposit Scheme)	0.00%	0.00%	0.00%
Others	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

<b>Expected Cashflows for the Next Ten Years as at March 31 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Year - 2018	75.027	321.315
Year - 2019	74.166	359.955
Year - 2020	88.415	403.282
Year - 2021	92.704	445.008
Year - 2022	84.826	485.559
Year - 2023	83.134	524.955
Year - 2024	66.145	582.355
Year - 2025	64.747	622.634
Year - 2026	47.409	658.815
Year - 2027	29.409	692.476
Year - 2028 onwards	151.344	4,491.956

<b>Expected Cashflows for the Next Ten Years as at March 31 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Year - 2019	11.513	366.516
Year - 2020	12.376	406.896
Year - 2021	62.971	434.399
Year - 2022	106.424	468.867
Year - 2023	111.305	501.177
Year - 2024	105.332	529.801
Year - 2025	103.112	567.467
Year - 2026	81.803	582.424
Year - 2027	79.521	597.457
Year - 2028	59.340	612.459
Year - 2029 onwards	220.552	2,592.205

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<b>Expected Cashflows for the Next Ten Years as at March 31 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Year - 2020	13.387	-
Year - 2021	56.822	-
Year - 2022	102.765	-
Year - 2023	108.441	-
Year - 2024	103.423	-
Year - 2025	103.636	-
Year - 2026	81.040	-
Year - 2027	80.542	-
Year - 2028	60.962	-
Year - 2029	36.345	-
Year - 2030 onwards	215.007	-

<b>Defined Benefit Obligation by Participant Status as at 31 March 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Actives	313.91	1,346.89
Vested Deferreds	-	-
Retirees	-	1,257.56
<b>Total Defined Benefit Obligation</b>	<b>313.91</b>	<b>2,604.45</b>

<b>Defined Benefit Obligation by Participant Status as at 31 March 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Actives	291.60	1,195.70
Vested Deferreds	-	-
Retirees	-	941.31
<b>Total Defined Benefit Obligation</b>	<b>291.60</b>	<b>2,137.00</b>

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

<b>Defined Benefit Obligation by Participant Status as at 31 March 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Actives	268.15	1,224.37
Vested Deferreds	-	-
Retirees	-	859.18
<b>Total Defined Benefit Obligation</b>	<b>268.15</b>	<b>2,083.56</b>

**Sensitivity analysis -**

<b>Defined Benefit Obligation by Participant Status as at 31 March 2019</b>	<b>Gratuity</b>	<b>Pension</b>
Defined Benefit Obligation - Discount Rate + 100 basis points	(14.87)	(266.67)
Defined Benefit Obligation - Discount Rate - 100 basis points	16.53	312.26
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	14.06	246.99
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(12.63)	228.55

<b>Defined Benefit Obligation by Participant Status as at 31 March 2018</b>	<b>Gratuity</b>	<b>Pension</b>
Defined Benefit Obligation - Discount Rate + 100 basis points	(13.82)	(240.20)
Defined Benefit Obligation - Discount Rate - 100 basis points	15.36	277.59
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	13.06	367.67
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(11.74)	(340.22)

<b>Defined Benefit Obligation by Participant Status as at 31 March 2017</b>	<b>Gratuity</b>	<b>Pension</b>
Defined Benefit Obligation - Discount Rate + 100 basis points	(10.98)	(219.78)
Defined Benefit Obligation - Discount Rate - 100 basis points	12.22	264.27
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	11.65	400.83
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(10.80)	(374.08)

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**41 - EMPLOYEE BENEFIT PLAN- DISCLOSURE**

**Disclosures related to leave encashment**

**Amount Recognized in Balance Sheet at Period-End as follows:**

	<b>March 19</b>	<b>March 18</b>	<b>March 17</b>
Defined Benefit Obligation	360.53	331.11	307.92
Fair value of Plan Assets	-	-	-
Unfunded Status - (Surplus)/Deficit	<b>360.53</b>	<b>331.11</b>	<b>307.92</b>
Present Value of Unfunded Defined Benefit Obligation	-	-	-
Unrecognised Asset due to Asset Ceiling	-	-	-
(Asset)/Liability Recognised in the Balance Sheet			
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>360.53</b>	<b>331.11</b>	<b>307.92</b>

**Amount Recognized in profit and loss for the Period-End are as follows:**

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Service Cost	26.06	24.05
Net Interest Cost	25.98	20.96
Past Service Cost	-	-
Remeasurements	5.01	16.43
(Gain)/Loss due to settlements/Curtailments/Terminations/Divestitures	-	-
Administration Expenses	-	-
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>	<b>57.05</b>	<b>61.44</b>

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**Current / Non-Current Bifurcation**

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Current Benefit Obligation	24.294	7.305	35.811
Non - Current Benefit Obligation	336.234	323.801	272.113
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>360.53</b>	<b>331.11</b>	<b>307.92</b>

Change in Defined Benefit Obligation during the Period year ended	March 31, 2019	March 31, 2018	March 31, 2017
Defined Benefit Obligation, Beginning of Period	331.10	307.91	3.17
Net Current Service Cost	26.06	24.05	22.95
Interest Cost on DBO	25.99	20.97	1.03
Actual Plan Participants' Contributions	-	-	-
Actuarial (Gains)/Losses	5.00	16.43	319.55
Changes in Foreign Currency Exchange Rates	-	-	-
Acquisition/Business Combination/Divestiture	-	-	-
Benefits Paid	(27.62)	(38.26)	(38.77)
Past Service Cost	-	-	-
Losses / (Gains) on Curtailments/Settlements	-	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>360.53</b>	<b>331.11</b>	<b>307.92</b>

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<b>Change in Fair value of Plan Assets during the Period year ended</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Fair value of Plan Assets, Beginning of Period	-	-	-
Interest Income Plan Assets	-	-	-
Actual Company Contributions	-	-	-
Actual Plan Participants' Contributions	-	-	-
Actual Taxes Paid	-	-	-
Actual Administration Expenses Paid	-	-	-
Changes in Foreign Currency Exchange Rates	-	-	-
Actuarial Gains/(Losses)	-	-	-
Benefits Paid	-	-	-
Acquisition/Business Combination/Divestiture	-	-	-
Assets extinguished on Settlements/Curtailments	-	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Asset Category as at</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Government of India Securities (Central and State)	0.00%	0.00%	0.00%
High quality corporate bonds (including Public Sector Bonds)	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%
Real Estate / Property	0.00%	0.00%	0.00%
Cash (including Special Deposits)Cash (including Bank Balance, Special Deposit Scheme)	0.00%	0.00%	0.00%
Other (including assets under Schemes of Insurance)	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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**Actual Return on Plan Assets**

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Expected Return on Plan Assets	-	-	-
Remeasurements Gains/(Losses) on Plan Assets	-	-	-
<b>Actual Return on Plan Assets</b>	-	-	-

<b>Expected Contributions for the Next Financial Year</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Expected Contributions	-	-	-

<b>Reconciliation of Amounts recognised in Balance Sheet</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Balance Sheet (Asset)/Liability, Beginning of Period	331.10	307.91	3.17
Total Charge/(Credit) Recognised in Profit & Loss	57.05	61.44	343.52
Acquisition/Business Combination/Divestiture	-	-	-
Benefit Payouts	(27.62)	(38.26)	(38.77)
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>360.52</b>	<b>331.10</b>	<b>307.91</b>

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**42 - ADDITIONAL DISCLOSURE FOR IND-AS-115**

**Impact of application of Ind AS 115 'Revenue from Contracts with Customers'**

In accordance with the transition guidance in Ind AS 115, the Company has only applied this standard to contracts that are incomplete as at April 01, 2018. The company's accounting policies for its revenue streams are disclosed in Note 2.18. Apart from supervision charges collected from consumers for the construction of assets, the application of Ind AS 115 does not have any significant impact on the financial position and/or financial performance of the company. Also the rebate to customers on prompt payment of dues is considered as a variable consideration which is being considered as a part of transaction price and presented on net basis with revenue from operations. The amount of adjustment for each line item of financial statement affected by the application of Ind AS 115 is as given below:

**(a) Impact on assets and liabilities**

**Amount in Rs. Crore**

<b>Particulars</b>	<b>As at April 01, 2018</b>	<b>Ind AS 115 adjustments</b>	<b>As restated</b>
Contract liabilities	2,045.37	9.24	2,054.61
Other Equity	0.00	-9.24	-9.24

**(b) Impact on Statement of Profit and Loss for the year ended March 31, 2019**

Due to Implementation of Ind AS 115, Revenue from Operation decreased by Rs. 2.75 crore. Loss for the year increased by Rs.2.75 crores during the year.

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**42 - ADDITIONAL DISCLOSURE FOR IND-AS-115**

**(c) Unsatisfied performance obligations**

The following amount relates to unsatisfied performance obligations

Particulars	<b>Amount in Rs. Crore</b>	
	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Transaction price related to unsatisfied (or partially satisfied) performance obligation	11.99	9.24
<b>These performance obligations are expected to be satisfied within</b>		<b>6 months</b>

The Company has applied significant judgements in estimating the completion time for the projects for which the supervision charges, based on the past experience available with the Company, the Company has estimated that the supervision work will take around 6 months for its completion, so it has deferred the amount received on account of supervision charges received during the last 6 months and recorded it as advance received from customers.

**(d) Movement in unbilled revenue**

**Amount in Rs. Crore**

Particulars	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Balance at the beginning.	278.94	209.66
Add: Revenue recognised during the year.	327.31	278.94
Less: Invoiced during the period	-278.94	-209.66
Less: Impairment/Reversal	-	-
<b>Balance at the end</b>	<b>327.31</b>	<b>278.94</b>

**(e) Transaction Price - Remaining Performance Obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

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**42 - ADDITIONAL DISCLOSURE FOR IND-AS-115**

**(f) Disaggregation of revenue from contract with customers**

There are no aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2019, other than those meeting the exclusion criteria mentioned above. Revenue is disaggregated by type and nature of product or services. The Company is engaged in the business of distribution of power. The Company is managed organisationally as a unified entity and accordingly the management considers sale of power as a single business segment, the revenue from sale of power mainly represents the revenue from contract with customer.

<b>Sale of Power</b>	<b>Amount in Rs. Crore</b>	
<b>Particulars</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Nature of Goods/Services</b>		
Distribution of power	13,304.74	11,837.85
Sale of Services	101.39	90.53
Others	179.33	206.68
Other Revenue		
<b>Total</b>	<b>13,585.46</b>	<b>12,135.06</b>

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**42 - ADDITIONAL DISCLOSURE FOR IND-AS-115**

**(g) Contract Balances**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

<b>Particulars</b>	<b>Amount in Rs. Crore</b>	
	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Contract Assets</b>		
Receivables from Group Companies		
Non-Current		-
Current	6.83	6.87
<b>Contract Liabilities</b>		
Advance received from customers		
Non-Current	-	-
Current	11.99	9.24
<b>Consumer Contribution</b>		
Non-Current	-	-
Current	350.64	288.38
Deferred Income		
Non-Current	2,200.95	1,747.75
Current	-	-
<b>Receivables</b>		
Trade Receivables (Gross)	2,795.43	3,026.38
Unbilled Revenue	327.31	278.94
(Less): Allowance for Doubtful Debts	-1,193.96	-1,193.96
Net Receivables	1,928.79	2,111.36
<b>Total</b>	<b>4,499.19</b>	<b>4,163.60</b>

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**42 - ADDITIONAL DISCLOSURE FOR IND-AS-115**

**Significant changes in the contract assets and the contract liabilities balances during the year are as follows:**

**Amount in Rs. Crore**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Opening Balances</b>		
Receivables from Group Companies	6.87	6.86
Consumer Contribution	-288.38	-225.38
Deferred Income	-1,747.75	-1,508.77
Advance received from customers	-9.24	-
	<b>-2,038.49</b>	<b>-1,727.29</b>
Add: Revenue recognised during the year	169.41	127.09
Less: Advance received from Consumers	-687.66	-438.29
	<b>-518.25</b>	<b>-311.20</b>
<b>Closing Balances</b>		
Receivables from Group Companies	6.83	6.87
Consumer Contribution	-350.64	-288.38
Deferred Income	-2,200.95	-1,747.75
Advance received from customers	-11.99	-9.24
	<b>(2,556.74)</b>	<b>(2,038.49)</b>

**(h) Details of revenue from contract with customer and the contracted price**

The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue

Particulars	As at 31.03.2019	As at 31.03.2018
Contracted price	13,585.46	12,135.06
Add/Less: Adjustment for financing component.		
Less: Rebate on prompt payment	3.82	3.08
<b>Balance at the end</b>	<b>13,581.65</b>	<b>12,131.98</b>

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**42 - ADDITIONAL DISCLOSURE FOR IND-AS-115**

**(i) Practical expedients availed**

The Company has availed the following practical expedient:

- a) The Company has not re-stated the completed contracts on transition to Ind AS 115, i.e. April 01, 2018. The completed contracts are contracts that:
  - (i) begin and end within the same accounting period; or
  - (ii) are completed contracts as on April 01, 2018.
- b) The Company has not adjusted the promised amount of consideration for the effects of a significant financing component at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that goods or service is one year or less.
- c) The Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date. Therefore, the Company has availed the practical expedient and has recognised the revenue in the amount to which the entity has a right to invoice.

**(j) Other disclosures**

The Company satisfies the performance obligation upon rendering of services i.e. providing electricity application and supply of electricity. The Company is satisfying its performance obligation over the period of time and the revenue is recognised on the basis of output method. The per unit tariff charged by the Company is fixed by the tariff regulations, which is multiplied to the number of units consumed by the customer at the end of the billing cycle. Hence the Company uses the output method which gives the accurate transaction price since the invoicing is done on the basis of the units consumed by the customer.

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## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED ANNUAL FINANCIAL STATEMENTS-FY 2018-19**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **1) GENERAL CORPORATE INFORMATION**

Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (hereinafter also known as West DISCOM or The Company, CIN-U40109MP2002SGC015121) was incorporated under the Companies Act, 1956 through an order of the Government of Madhya Pradesh dated July 01, 2002 as a wholly owned Government of Madhya Pradesh undertaking.

Subsequently, the Government of Madhya Pradesh appointed Madhya Pradesh Power Management Company Limited as the parent company of all three distribution companies through a notification order and transferred the shares of West DISCOM held by it to Madhya Pradesh Power Management Company Limited.

The Company is engaged in the business of distribution or retail supply of electricity with in the areas of Indore and Ujjain Commissionaire in the State of Madhya Pradesh and is governed by the provisions of the Electricity Act, 2003. The commercial operation of the company has been started from FY 2005.

#### **2) SIGNIFICANT ACCOUNTING POLICIES**

##### **2.01: Statement of Compliance**

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 to the extent applicable. The Company has adopted all the issued Ind As.

##### **2.02: Basis of Preparation and Presentation**

The financial statements of the Company have been prepared in all material aspects with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (IND-AS) prescribed under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015 & 2016 and other relevant provision of the Act. Further, as the Company is governed by the Electricity Act, 2003, the Company has followed the provisions of this Act read with rules made to the extent they are inconsistent with the provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per company's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013.

Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not

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fair value, such as net realisable value in IND-AS 2 – Inventories or value in use in IND-AS 36 – Impairment of Assets.

#### **2.03: Use of Estimates**

The preparation of these financial statements are in conformity with the recognition and measurement principles of IND-AS which requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of, fair value of unquoted securities and impairment of investments, valuation of current and deferred tax expense, valuation of defined benefit obligations, regulatory deferral accounts and provisions and contingent liabilities.

#### **2.04: Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Unserviceable / damaged stores and spares are identified and written down based on the rates specified under the technical assessment.

#### **2.05: Property, Plant and Equipment**

Property, plant and equipment are stated at cost less depreciation. The cost comprises the purchase price and any other applicable costs attributable in bringing the assets to their working condition for their intended use, including borrowing costs and other overheads attributable to Property, Plant and Equipment. Depreciation commences when the assets are ready for their intended use. Although, Freehold land are not depreciated.

In the case of commissioned assets, deposit work / cost plus contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement. Capitalisation from Capital work in progress (CWIP) is being done only on receipt of Technical / Completion Certificate from the respective field officers.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.



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Spares parts, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized. The carrying amount of those spare parts, standby equipment and servicing equipment that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts, standby equipment and servicing equipment are treated as Stores and spares and are classified as Inventory.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values (up to 90% of the original cost of assets and at the rates notified by the Central Electricity Regulatory Commission (CERC) vide notification no. L-1/144/2013-CERC dated 21/02/2014 from 01/04/2014 onwards) using the straight-line method.

Where the rates are not prescribed by CERC, the rates prescribed by Central Electricity Authority (CEA). In case rates for any specific asset is not prescribed by CERC or CEA, the useful life prescribed under Schedule-II of the Companies Act, 2013 is used.

Capital Spares lying under Inventory have been capitalised under IND-AS and are being depreciated in their remaining useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets received from the customers or assets constructed on receipt of amounts from the customers and on obtaining the control over the asset, the Company recognises them as property, plant and equipment and depreciate over their expected useful lives on the same basis as the owned assets.

#### **2.06: Intangible Assets or Internally Generated Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported—at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.



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#### **2.07: Capital Work In Progress**

In respect of supply-cum erection contracts, the value of supplies received at site and accepted as liable to be paid, is treated as capital work in progress.

Incidental expenditure prior to construction, preliminary project expenditure on identification, survey/feasibility studies of the project, etc. is apportioned to capital work in progress on the basis of accretion thereto. These expenses, however, are charged to Statement of profit and loss in case the project is abandoned.

Deposit work or cost plus contracts are accounted for on the basis of statement of account received from concerned office.

Corporate office expenses, expenses of divisions/ offices catering to operation and maintenance (O&M) as well as capital works and stores expenses are booked to capital works to the extent identified, the rest are booked to operation and maintenance (O&M).

Expenses including employee cost in respect of construction divisions and offices identified in assisting the construction activity are fully capitalised and accounted as cost of capital assets.

Borrowing costs attributable to the qualifying assets during their construction are capitalised based on the weighted average interest rate.

Claims for Price variations in the form of escalation in contracts are accrued for on acceptance basis.

#### **2.08: Impairment**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss, if any.

If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognised as impairment loss in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



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**2.09: Leasing**

At the inception of a lease, the lease arrangement is classified as either a Finance lease or an operating lease, based on the substance of the lease arrangement. Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee. All other leases are classified as operating leases.

**A) The Company as Lessor:**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**B) The Company as Lessee:**

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**2.10: Government Grants**

Grants and subsidies from the government are not recognized at their fair value until there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate and presented within other income. Specifically, 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 or loss on a systematic basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**2.11: Borrowing Costs**

General and specific borrowing cost directly related to a particular project under construction or acquisition of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period they occur. The borrowing cost is measured at amortized cost using the effective interest method.



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#### **2.12: Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities are not recognised but for material amount of Rs. 1.00 crores or more are disclosed unless the possibility of outflow of resources are remote. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Contingent assets are generally not recognized but are disclosed when inflow of economic benefit is probable.

#### **2.13: Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having an original maturity of three months or less.

#### **2.14: Cash Flow Statement**

Cash flows are reported using the indirect method, where by 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 of the Company are segregated.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts or cash credit liabilities. In the balance sheet, bank overdrafts or cash credit liabilities are shown within borrowings in current liabilities.

#### **2.15: Income Taxes**

Tax expense represents the sum of current tax and deferred tax.

#### **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period.



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#### **Deferred Tax**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

A deferred tax asset arising from unused tax losses or tax credits are recognized only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

#### **2.16: Employee Benefits**

##### **2.16.1: Defined Benefit Plans**

The liability to pay defined benefits to the personnel who retired from the service of the board on or before 31<sup>st</sup> May, 2005 is vested with Madhya Pradesh Power Transmission Co. Ltd (MP Transco). However, the liability to pay defined benefit to the personnel who retire after 31<sup>st</sup> May, 2005 is vested with respective transferee Company.

Further, the contribution towards the pension and other terminal benefits for the past service rendered by the personnel up to 31<sup>st</sup> May, 2005 in MPSEB/MPEB shall be made by MP Transco and contributions for the part of service rendered under the transferee shall be provided by the respective transferee Company.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period from April 01, 2017 onwards. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability.

The retirement benefit obligation recognised in the balance sheet represents the actual obligation in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of

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when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### **2.16.2: Defined Contribution Plans**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### **2.16.3: Short-Term and Other Long-Term Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employee's upto the reporting date.

### **2.17: Financial Instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities.

#### **A) Financial Assets**

##### **Financial Assets at Amortised Cost**

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

##### **Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through OCI if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give rise on specified days to cash flows that are solely payment of principals and interest on principal amount outstanding. During the year the Company did not have any such financial asset.

##### **Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss. During the year the Company did not have any such financial asset.



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#### **Derecognition of Financial Assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

#### **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. IND-AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### **B) Financial Liability & Equity Instruments (Classification as Debt or Equity)**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### **Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method. Other financial liabilities are measured at amortized cost using the effective interest method.

#### **Effective Interest Method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the other income line item.

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**De-recognition of Financial Liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**Offsetting Financial Instruments**

Financial assets and liabilities of the Company are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

**2.18: Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable net of trade discount and volume rebates.

Revenue from sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered. Revenue from such contracts is recognised over time for each unit of electricity delivered at the rate approved through tariff order.

Output method is used to recognize revenue based on the Company's efforts or outputs to the satisfaction of a performance obligation to deliver power. As at each reporting date, revenue from sale of power includes an accrual of power supplied to the customers but not yet billed which is also presented as unbilled revenue as a part of other financial assets.

Revenue income is recognised as and when accrued by written communication from any regulatory or statutory authority, unless the same is under litigation or process of litigation. Further income receivable through regulatory mechanism in respect of additional cost incurred during the period over and above cost allowed in prevailing tariff order is recognised based on the applicable available orders and regulations of regulatory authorities.

Sale of power does not include electricity duty as it is not the income of the Company but collected on behalf of the Government of Madhya Pradesh and it is accounted for as electricity duty payable to the Government.

The Company receives contribution from consumers in accordance with the regulation that is being used to construct or acquire items of property, plant and equipment in order to connect the consumer to the Company's distribution network. The assets so constructed or acquired from the customers are recognised at their fair value when they meet the definition of an asset and all attached conditions are complied with.

Amount received from the customer towards construction of a property, plant and equipment are included in non-current liabilities as consumer contribution towards capital assets and are credited to the statement of profit and loss on a systematic basis over the expected useful lives of the related assets and presented within Other Income.



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Supervision charges in relation to assets constructed by the customer are recognised as revenue at a point in time when the services are rendered.

Receipts of claims for warranty and liquidated damage are accounted as and when the claims are acknowledged by the management and the collection of the amount is certain.

Consumers are billed on a monthly basis and are given a credit period for making the payments. No delayed payment charges ('DPC') is charged for amount collected during the credit period from customers. Thereafter, DPC is charged at the rate prescribed in the agreement on the outstanding balance once the dues are received.

Revenue in respect of delayed payment charges and interest on delayed payments leviable as per the relevant contracts/regulation are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

Bill against theft of electricity, surcharge and any other dues of permanently disconnected consumers are raised when such theft has been detected.

Sale of scrap are accounted for when sale take place.

Revenue from meter rentals is accounted for on accrual basis based on the rates provided in the MPERC regulations. The revenue is recognised on a monthly basis for each billing cycle along with electricity bills issued for the revenue from sale of power.

Rebate allowed to companies on realisation of bills are accounted for when it is ascertained and confirmed.

Revenue Subsidies received from State Government are accounted to statement of Profit and Loss Account.

#### **Other Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **2.19: Expense Recognition**

All expenses are recognised in the Statement of Profit and Loss on accrual basis as per the necessary terms of the contracts entered into with suppliers and service providers.

Expenses such as, Medical reimbursement to the employees Annuity Pension, Payment of Travelling Expenses, Payment of Accident compensation and Price escalation in purchase of materials for fixed asset, revenue stores and Projects are recorded as and when claims are admitted.



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The Interest on security deposits from consumer recognised in the year in which actual bill of power raised to the consumer.

#### **2.20: Earning Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus Issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

#### **2.21: Rounding of Amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crore as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

### **3. New and amended standards and interpretations**

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1<sup>st</sup> April, 2018. The nature and the impact of each amendment is described below:

#### **Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 supersedes Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company adopted Ind AS 115 using the modified retrospective approach. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1<sup>st</sup> April, 2018). Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

### **4: STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standards:

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#### **a. Issue of Ind AS 116 – Leases**

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in process of evaluating the requirements of the standard and its impact on its financial statements.

#### **b. Amendments to Existing Ind AS**

The MCA has also carried out amendments to the following standards:

##### **i. Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together.

The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is in process of evaluating the requirements of the standard and its impact on its financial statements.

##### **ii. Ind AS 109 – Financial Instruments**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.



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#### **iii. Ind AS 19 – Employee Benefits**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company is in process of evaluating the requirements of the standard and its impact on its financial statements.

#### **iv. Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company is in process of evaluating the requirements of the standard and its impact on its financial statements.

### **5: CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

#### **Critical Judgments in Applying Accounting Policies:**

The following are the critical judgments, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

#### **I) Financial Assets at Amortized Cost**

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. Details of these assets are set out in note 32.

#### **II) Regulatory Deferral Accounts**

IND-AS - 114 Regulatory Deferral Accounts permits the Company to apply the requirements of this standard in its first IND-AS financial statements if and only if it conducts rate-regulated activities and recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP. As the Company had consistently elected not to recognise the regulatory deferral balances in its previous GAAP, the requirement of IND-AS 114 does not apply to the Company.



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**III) Depreciation rates, method and residual value of property, plant and equipment**

In terms of Part B of Schedule II of the Companies Act, 2013, the Company has followed the depreciation rates, depreciation method and residual value of the items of property, plant and equipment as notified by the respective regulators in accordance with the Electricity Act, 2003 with respect to the assets falling under regulated business.

**Key Sources of Estimation Uncertainty:**

**I) Deferred Tax Assets**

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**II) Provisions**

Provisions (excluding provision for salary) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

**III) Contingent Liabilities**

Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote.

**IV) Capitalisation of Overheads**

Costs directly attributable to project under construction include cost of various divisions including STC and stores department, establishment cost, administrative and general overhead, repairs and maintenance cost and interest during construction and other costs including unavoidable costs as well as price variation that are directly attributable to construction activities. Such costs are accumulated under CWIP (Capital work in progress) after netting off any revenue generated before the commercial operation. Unsettled liabilities for consultancy charges in case of contracts are accounted for on estimated basis as per terms of the contracts.

The Company has been allocating the above cost except for price consultancy charges, on pro-rata basis. The management of the Company has presently estimated that 20% of the amount so recognised in CWIP represents the amount of overhead to be allocated to Property, Plant and Equipment.



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**V) Impairment of property, plant and equipment**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**VI) Revenue from contracts with customers**

Supervision charges received from customers in relation to the construction of the asset is received in advance but the revenue for the same is recognised once the construction of the asset is complete. Management has estimated that it generally takes 06 months to complete a project. Hence the amount received in the last 06 months in lieu of supervision charges has been treated as an advance received from customers.

**VII) Fair Value Measurements and Valuation Processes:**

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

**43: Other Notes on Financial Statements For Year Ending 31<sup>st</sup> March, 2019**

**a. Final Opening Balance Sheet**

- a. GoMP vide notification no. 292 dated 12<sup>th</sup> June, 2008 notified final opening balances belonging to Company which were accounted for the first time in the financial statements for FY 2008-09.
- b. The Company is in the process of obtaining justification / explanation for some of the items of the opening balances which are still under reconciliation with erstwhile MPSEB / MPPMCL. The cumulative balance of such items amounting to Rs.69.94 crores[Cr] (Previous year Rs.69.94 crores [Cr]) are mentioned in Account Code 469470 and shown under the head "Other Current Liabilities".
- c. Opening balances as transferred to the Company vide GoMP notification no. 292 dated 12<sup>th</sup> June, 2008 includes balances of fixed assets in the form of land and buildings for which Company does not have Title deeds /legal documents which are yet to be executed in the Company's favour.



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**  
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**b. Cash Flow Mechanism**

- a. In Compliance with the direction issued by GoMP vide Gazetted notification No.-140 dated 29-03-2012, regarding Cash flow mechanism the Company remits its entire revenue to M.P. Power Management Company (Earlier TRADECO) on daily & immediate basis.
  - b. As a part of the accepted operational arrangement between the unbundled entities and MPSEB, MPSEB (w.e.f. 13/04/2012, MP Power Management Company Ltd) has been entrusted with the task of cash management function for all the Companies. This methodology of retaining centralized Cash Control has been in operation for the current financial year and will be in operation till further Orders of the State Government.
  - c. The Company is required to buy power from Single source i.e. from MPPMCL as per the inter-se bulk supply agreement. The revenue received from the MPPKVCL, Indore will be treated as ad-hoc payment against power supply bills issued by MPPMCL. The MPPMCL shall release the payment/Fund to the Company following the priorities mentioned in the notification.
  - d. The Company has remitted advance payment Rs.4060.97 Crs (as at March, 2019) against the power supply by MPPMCL, which were short term in nature and shall be set off against future monthly power supply bill of the Company.
  - e. The Company's share of interest on loan taken by MPPMCL for its working capital has been accounted - for under the head interest and finance charges, if any. This is as per prevailing cash flow mechanism notified by GoMP.
  - f. Company's share of common costs, if any pertaining to the departments serving the unbundled entities has been charged to the Company on the basis of advice received from MPPMCL.
- c. The provision for interest on staff loans has been made on actual loan balances available with the Company as per policy followed by the erstwhile MPSEB.
- d. Depreciation on addition/deletion of PPE during the year is provided on prorate basis.

**e. Remuneration to Auditors**

The remunerations paid to/provided for various Auditors of Company during the year are as below:

S. No.	Particulars	FY 2018-19	FY 2017-18
1	Statutory Audit Fee	Rs. 0.0600 Crs	Rs. 0.0600 Crs
2	Tax Audit Fee	Rs. 0.0082 Crs	Rs. 0.0082 Crs
3	Cost Audit Fee	Rs. 0.0095 Crs	Rs. 0.0095 Crs
4	VAT / GST Audit Fee	Rs. 0.0240 Crs	Rs. 0.0099 Crs

\*\* (Excluding applicable Taxes & Reimbursement of Out of Pocket Expenses, if any)

(DR. SHAILESH KARDAM)  
DY. DIRECTOR (A/C, TAX & TARIFF)

(N.R. BIWALKAR)  
CHIEF FINANCIAL OFFICER



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**  
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- f.** Due to difference in billing cycle/collection, there is a difference in the balances between the amounts of receivables shown as per Consumer Subsidiary Ledgers & Sundry Debtor for Sale of Power in Financial Statements is amounting to Rs.258.15 crores (approx.) as on March, 19. As per Management the difference will not have any material impact on the financial statement.
- g.** In accordance with directions issued by the ICAI on 'Impairment of Assets' the Management is in the process of carrying out a review of its assets with respect to economic performance. The Management is of the opinion that economic performance of the Fixed Assets of the Company is not worse than expected and therefore there is no impairment as on the date of the Balance Sheet.
- h.** The Company has identifying non-moving and obsolete stock & spares & value the same on Cost or NRV whichever is less.
- i.** During the year 2006-07 the Company had appointed franchisee under section-14 of the Electricity Act, 2003 for distribution of electricity and maintenance of 12 distribution centres (9 in Dewas and 3 in Ratlam). Most of these franchisees have become in-operative and amount receivable from them (Rs.3.80 Crs) is still appearing in Sundry Debtors which has been fully provided for.

Further, during FY 2014-15, the Company had appointed franchisee in Ujjain City Circle. Transactions related with franchisee are properly accounted for in books of accounts of the Company. However, no franchisee is operative as on the balance sheet date.

- j.** The Power Purchase Expenses and Transmission Charges (Including Re-active Charges & UI Charges) have been considered on the rates approved by the MPERC and up to the extent of bills/advises received.
- k.** During the year, MP Power Transmission Company Limited, Jabalpur has written off the amount of Rs.148.11 crores (Previous year Rs.180.48 crores) from outstanding payable towards Transmission charges to them. The same has been classified under Other Non-Operating Income.

**I. Ujwal Discom Assurance Yojana (UDAY)**

- a. UDAY has been launched for Operational and financial turnaround of Power Distribution Companies by Government of India, Ministry of Power on 20<sup>th</sup> November, 2015. In this scheme, Madhya Pradesh Discoms have joined the UDAY scheme and entered into Memorandum of Understanding (MoU) with Government of India on 10.08.2016.
- b. MPPKVCL has loan/debt of Rs.9764.96 Crores outstanding as at September-2015. As per the MoU, GoMP shall take over 75% of the above debt in a five years period from 2016-17 to 2020-21 in a phased manner which would reduce the interest burden of the Company.



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**  
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- c. During the year, GoMP has taken over the 5% loss of the Company for FY 2017-18 amount of Rs.7.85 Crores as per UDAY guidelines in Revenue Grant which have been shown as Exceptional Income.
- d. GoMP has converted amount of Perpetual Loan Rs.145.55 Crore in Grant during the current year (Previous year Rs. 1374.11 Crs) under UDAY Scheme.

**m. Capital Spares**

- a. As per Para-8 of IND AS:16: Property, Plant and Equipment, Items such as Spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment (PPE) when they meet the definition of PPE.
  - b. As the number of Transformers in Capital Spares-PPE are voluminous and frequency of transaction is very high, it would be very difficult to ascertain information necessary to charge depreciation such as, its dates of purchase, remaining useful life, salvage value, etc.
  - c. Therefore, in the absence of all the necessary information required to ascertain appropriate depreciation rate, the management has decided to take best judgment according to Para-57 of IND-AS:16, for computing depreciation on Capital Spares. Accordingly, it has been estimated that remaining useful life of such Transformers categorised as Capital Spares shall have 50% of total useful life which comes out 8.5 years as on Balance Sheet date and charged the depreciation accordingly.
- n.** Interest of Rs.116.63 crores has been capitalized at the rate of 8.07% and shown as part of the cost of capital assets during the year (Refer note-28).
- o.** In view of large number of Meter items in PPE due to non-identification of exact cost and year of acquisition at the time of disposal, the Gross Block is reduced with the estimated cost and accumulated depreciation is adjusted as if the asset is fully depreciated to the extent of 90% of the cost. All gains & losses on sale of fixed assets are credited to or charged to Profit & loss A/c.

**p. Expected Credit Loss (ECL)**

- a)** The Company has computed the Impairment of trade receivables on the basis of the Expected Credit Loss (ECL) model which is based on the past trend of provisions made by the Company in previous years under the Indian GAAP and not on the actual bad debt.
- b)** As per the model the allowance for credit loss is comparatively less than the amount provide for by the Company in previous year. Taking into consideration the prudence and expecting higher credit loss in the coming years the management is of the opinion to carry the same amount of provision as that last year in the books of accounts of the Company.
- c)** While Computing the ECL model effect of impairment on provision for unbilled revenue has also been taken into account.

(DR. SHAILESH KARDAM)  
DY. DIRECTOR (A/C, TAX & TARIFF)

(N.R. BIWALKAR)  
CHIEF FINANCIAL OFFICER



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**  
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**q. Actuarial Valuation of Employee Benefits**

During the year Company has carried out actuarial valuation of the Defined Benefit Obligation in accordance with IND AS-19 "Employee Benefits". The difference between employee benefit liability as recorded earlier and as per the Actuarial Valuation is as under:

<b>Particulars</b>	<b>As per Actuarial Valuation- "Project Unit Credit Method" as per IND AS-19</b>	<b>As per Old Method</b>	<b>Difference</b>
<b>As on 01/04/2017</b>			
Gratuity	268.16	217.89	50.27
Pension	2,083.55	1069.69	1013.86
Leave Encashment	307.91	3.17	304.74
<b>As on 31/03/2018</b>			
Gratuity	291.62	233.51	58.11
Pension	2137.01	1169.67	967.34
Leave Encashment	331.10	3.11	327.99
<b>As on 31/03/2019</b>			
Gratuity	313.90	-	-
Pension	2604.45	-	-
Leave Encashment	360.52	-	-

As per, "Madhya Pradesh Electricity Regulatory Commission (Terms and Condition for Allowing Pension and Terminal Benefit Liabilities of Personnel of the Board and Successor Entities) Regulations, 2012 (G-38 of 2012)" – The Liability on account of Pension and Gratuity attributable to Madhya Pradesh Power Transmission Company Ltd for the period of services rendered up to 01/06/2005 has not been considered in the above valuation. Confirmation of the said liabilities attributable to Madhya Pradesh Power Transmission Company Ltd. is under progress.

- r.** Interest on Consumer Security Deposits has been paid at the rate of 6.25% per annum during the year.
- s.** Expenditure in Foreign Currency during the year - NIL. (Previous year - NIL)
- t.** C.I.F. value of imports - NIL. (Previous year – NIL)
- u.** Earning in Foreign exchange - NIL. (Previous year – NIL)
- v.** Sitting fees paid to Directors – Rs. 43,000 (Previous year – NIL)

(DR. SHAILESH KARDAM)  
 DY. DIRECTOR (A/C, TAX & TARIFF)

(N.R. BIWALKAR)  
 CHIEF FINANCIAL OFFICER



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**  
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**w. Segment reporting –**

The Company is engaged in the business of distribution of power. The Company is managed organizationally as a unified entity and accordingly the management considers sale of power as a single business segment in terms of Ind AS 108: Operating Segments. Further, as the Company's operations are carried out only in India, there are no reportable geographical segment.

- x.** Previous year figures have been regrouped and rearranged wherever necessary.

**As Per Our Report of Even Date**

**For FADNIS & GUPTE**  
CHARTERED ACCOUNTANTS  
FRN:006600C

**FOR AND ON BEHALF OF THE BOARD**

**CA: SUDHIR JOSHI**  
PARTNER  
M NO: 012368

(VIKAS NARWAL)  
MANAGING DIRECTOR  
(DIN: 07884369)

PLACE: INDORE  
DATE: 15 OCT 2019

(N. R. BIWALKAR)  
CHIEF FINANCIAL OFFICER

(Dr. M.K.JHAWAR)  
DIRECTOR (COMMERCIAL)  
(DIN: 07306454)

(Dr. SHAILESH KARDAM)  
DY. DIRECTOR  
(A/C, TAX & TARIFF)

(A.KULKARNI)  
COMPANY SECRETARY



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

**Fadnis & Gupte**  
**CHARTERED ACCOUNTANTS**

**B-14, Ratlam Kothi, Kanchan Bagh, Main Road, Indore-452001 (M.P.) India**  
**Phone : 0731-2514448, 2527716, Fax : 0731-2528730**

**Email : mail@fngca.com**

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**INDEPENDENT AUDITOR'S REPORT**

To,

The Shareholders of

Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited,  
Indore

**Report on the Financial Statements**

**Qualified Opinion**

We have audited the accompanying Ind AS Financial Statements of **Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited**, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit & Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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<sup>st</sup> March, 2019, and its loss including other comprehensive income, its cash flows and the statement changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

Due to difference in billing cycle/collection, there is a difference in the balances between the amounts of receivables as per the Consumer Subsidiary Ledgers & Sundry Debtors for Sale of Power shown in the Financial Statements amounting to Rs.258.15 crores, the Sundry Debtors for Sale of Power shown in the Financial Statements being short to this extent.

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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS 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 qualified opinion.



## MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

### **Emphasis of matter**

Further, attention is invited to the following items of Significant Accounting Policies in Note Number 43 of the company. Our opinion is not qualified in respect of the following matters:-

- Note 43(A)(b) in respect of items of opening balances amounting to Rs.69.94 crores carried forward from FY 2008-09 and pending for reconciliation with the erstwhile MPSEB/MPPMCL.
- Note 43(A)(c) regarding non-availability of title deeds in respect of land & building transferred to the Company by erstwhile MPSEB. Further, as per the information provided to us title deeds are in the name of the Company for 55.366 hectares only out of total area of land admeasuring 404.791 hectares.
- Note 43(O) regarding non identification of exact cost and year of acquisition of meters due to large number of such items.
- We Draw Your attention to Note 43(Q) of the IND AS Financials Statement. The Company has provided sum of Rs.1368.88 Crore, Rs.(24.6) Crore and Rs.546.78 Crores as per Actuarial Valuation "Project Unit Credit Method" as per IND AS-19 for the following periods ending 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 respectively.

Confirmation of the said liabilities attributable to Madhya Pradesh Power Transmission Company Ltd. is yet to be obtained.

Our opinion is not modified in respect of the above matter.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

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

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

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Companies Act, 2013.



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations (in excess of Rs. 1 crore) on its financial position in its financial statements – Refer Note 36 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The provisions relating to transfer to the Investor Education and Protection Fund are not applicable to the Company.

For Fadnis & Gupte  
Chartered Accountants  
FRN 006600C

Place: Indore  
Date : 15.10.2019  
(CA. Sudhir Joshi)  
Partner  
M No. 012368



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

### **Annexure - A to the Auditors' Report**

#### **As referred to in our Independent Auditor's Report of even date to the members of Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited for the year ended March 31, 2019**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets up to divisions level.
- (b) As informed and explained to us, the management, during the year, has physically verified the items of the fixed assets of the company at reasonable intervals. However, item wise and location wise details of assets physically verified were not provided to us. Therefore, we are unable to comment on the efficacy of physical verification and discrepancies, if any, between the physical balance and book records.
- (c) As informed and explained to us, the Company does not have title deeds in respect of land & building transferred to the Company by erstwhile MPSEB. Further, as per the information provided to us title deeds are in the name of the Company for 55.366 hectares only out of total area of land admeasuring 404.791 hectares.
- (ii) As informed and explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) In our opinion and according to the information and explanations given to us. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 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 in respect of sale of electricity where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

- (vii) (a) According to the books of accounts and records examined by us according to generally accepted auditing practices in India, in our opinion, the company has been regular in depositing undisputed statutory dues. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales Tax, Goods and Service Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues which have remained outstanding as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service tax and goods and services tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the company has defaulted in repayment of dues amounting to Rs.612.48 crores to financial institutions, banks or debenture holders as enumerated below;

<b>S.N.O.</b>	<b>Particulars</b>	<b>Default Since</b>	<b>Principal Overdue</b>	<b>Interest accrued</b>
			<b>Amount in Rs. Crores</b>	
1.	Debenture (PP Bond)	Since the date of Incorporation	5.12	0.70
2.	Loan from Power Financial Corporation	01/06/2015	6.7	28.6
3.	Loan from GoMP		339.44	1939.3
<b>Total</b>			<b>351.26</b>	<b>1968.6</b>

- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

- (xii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has made preferential allotment of shares during the year to its existing shareholders. As per our information and explanations given to us the requirement of Section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Fadnis & Gupte  
Chartered Accountants  
FRN 006600C

(CA. Sudhir Joshi)

Place: Indore

Partner

Date: 15.10.2019

M No. 012368



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

### **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited**, ("the Company"), as of 31 March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Qualified opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at March 31, 2019-

- (i) The Company did not have an appropriate internal control system for reconciliation of balances as per Consumer Subsidiary Ledger and Sundry Debtors for Sale of Power.
- (ii) The Company did not have an appropriate internal control system for identification of slow moving, non-moving and obsolete Inventory.
- (iii) The Company did not have an appropriate internal control system for ageing of Capital Work in Progress for the period. There is a possibility of undercapitalization caused by delay in receipt of Completion Certificates.

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

### **Opinion**

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to standalone financial statements as of March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2019.



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

For Fadnis & Gupte  
Chartered Accountants  
FRN 006600C

(CA. Sudhir Joshi)

Place: Indore

Partner

Date: 15.10.2019

M No. 012368



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

### **Annexure - C to the Auditors' Report**

#### **Report on Directions/sub-directions under section 143(5) of the Companies Act, 2013 for the F.Y. 2018-19**

To,

**The Comptroller and Auditor General of India**  
53, Arera hills, Hoshangabad Road  
Bhopal, 462001

In compliance with your Directions/sub-directions under section 143(5) of the Companies Act, 2013 for the Financial Year 2018-19, we report as under :-

1. It is informed to us that the opening balances as transferred to the Company vide GoMP notification no. 292 dated 12<sup>th</sup> June, 2008 includes balances of fixed assets in the form of land and buildings for which Company does not have title deeds/lease deeds. The same is yet to be executed in Company's favour which has already been disclosed in notes to accounts. It is further informed that the title deeds for 55.366 hectares of land is available in the name of company out of the total land admeasuring 404.791 hectares. This para is already reported under Emphasis of matter.
2. The Company has written off some debt/loans/interest during the F.Y. 2018-2019:

<b>S.No.</b>	<b>Particulars</b>	<b>Amount (in crores)</b>	<b>Category</b>
1	Mukhya Mantri Bakaya Bijli Bill Maafi Scheme 2018	Rs. 495.87 Cr.	Debt
2	Mukhya Mantri Bakaya Bijli Bill Maafi Scheme 2018	Rs. 213.47 Cr.	Interest

\* Energy Department GoMP letter No.क्रमांक 4985/2018/तेरह भोपाल, दिनांक 15.06.2018

3. Yes proper records are maintained for inventories lying with third parties like Suppliers/Contractors (for repairing/replacement of transformers/meters) at store level. Further no assets were received as gifts/grants from the government or other authorities.
4. The Company has not entered into any Distribution Franchisee Agreement (DFA) for distribution of electricity in any of its Circles during FY-2018-19.



## **MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

5. HT billing is totally centralized from HT Billing Cell w.e.f 15.04.2015, located at MD Office Campus. Billing is done based on the meter reading obtained from the AMR Cell with the help of SIM installed in the Modem connected with meters at consumer's premises.

In some cases where Reading Data is not received remotely, Reading is obtained manually. This data (meter reading in ASCII format) is then uploaded into the billing software named Customer Care & Billing (CC&B). After this, reading data is validated, bills are generated, which after proper checking, same are sent through e-mail to the customer for payment. If payment is not made on or before the due date, i.e. within 15 days from the Bill issue date, connection of that customer is cut after serving a disconnection notice for 15 days. If the customer still remains stagnant, legal action is taken by the concerning SE/EE of the company.

In case of LT billing, meter reading is obtained through either of the following methods:

1. PMR-Photo Meter Reading

Photos of meters are clicked by persons taking readings at the consumer premises on an mobile app uploaded on the system.

2. AMR-Automatic Meter Reading

Reading is obtained through Modem connected with meters. This data is made available to their concerned area in charge, who are responsible to feed the same into the companies billing software. Pre-Bill check of the data is performed. The bills are then generated by the software, and bills file is sent to printer from where bills are sent to DC's for delivery to the customers for the payment. Here in LT billing also, if payment is not made on or before the due date, i.e. within 15 days, connection of that customer is cut off after prior intimation.

The company has an adequate monitoring control system commensurating with the size and nature of operations in respect of the billing and revenue collection. One date analytics tool named MRDM is deployed which analyses the billing data off all non-agricultural consumer's and discrepancies are pointed out.

6. As per the explanation provided by the management, tamper proof meters have been installed for all the consumers.
7. The company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel Cost Adjustment charges (FCA).
8. The reconciliation of receivables and payables between Generation, Transmission, Power Management Company has been completed except Central Discom till the date of Finalisation.
9. During the year under audit, the company has not entered into any Distribution Franchise Agreement (DFA). Further, the Discom is not supplying power to any franchisee as there is no Distribution Franchisee under West Discom.



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED**

10. The Government is making regular payment of Subsidy to the Company. During Financial Year 2018-19 amount of Rs.5271.29 Cr. have been booked as a Tariff Subsidy, out of this amount of Rs.4316.07 have been received and remaining amount of Rs.955.22 is outstanding as on 31.03.2019.

Further, the Government has paid the amount of Rs.533.30 Cr upto date, out of outstanding balance, and remaining amount Rs.421.92 Cr. is pending.

For Fadnis & Gupte  
Chartered Accountants  
FRN 006600C

Place: Indore  
Date: 15.10.2019

(CA. Sudhir Joshi)  
Partner  
M No.012368