

ANNUAL FINANCIAL STATEMENTS

Year 2017-18



**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, CIN: U40109MP2002SGC015121, E-Mail ID: DDACTWZ@Gmail.Com
Ph. No: 0731-2426110, 2426105, FAX: 0731-2423300



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

NOTICE OF 16TH ADJOURNED ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16th Adjourned Annual General Meeting of Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited, Indore will be held on Thursday the 08th day of August, 2019 at 12:30 PM 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 31st March, 2018, 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 31st March, 2018 and Statement of Profit and Loss & Cash Flow statement of the Company for the year ended on 31st March, 2018 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 : 3rd August, 2019

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 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 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

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 :

I/We, being the member(s) of shares of the above named company, hereby appoint:

1. Name :

Address :

Email ID :

Signature : or failing him

2. Name :

Address :

Email ID :

Signature : or failing him

3. Name :

Address :

Email ID :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Adjourned Annual General Meeting of the Company, to be held on Thursday the 8th day of August, 2019 at 12:30 P.M. 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 Statements, Statement of Profit and Loss for the year ended on 31st March 2018, the Balance Sheet as at that date & Cash Flow Statement and Directors and Auditors report thereon.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

NOTICE OF 16TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16th Annual General Meeting of Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited, Indore will be held on Thursday the 27th day of December, 2018 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 31st March 2018, 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 31st March, 2018 and Statement of Profit and Loss & Cash Flow Statement of the Company for the year ended on 31st March, 2018 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 2018-19 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 Fadnis & Gupte, Chartered Accountants, Indore as Statutory Auditors of the company for the year 2018-19, 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 a 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 2018-19."



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

SPECIAL BUSINESS:

(1) 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. 95,000/- (Rupees Ninety Five Thousand Only plus applicable tax) payable to M/s Vijay P. Joshi and Associates, Cost Accountants, Indore, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2018-19;

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."

(2) Alteration in Article 8 of the Articles of Association of the Company

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

"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be altered by inserting a new Article No. 8A under the heading CERTIFICATES as quoted below:

8A. DEMATERIALIZATION OF SECURITIES

Notwithstanding anything contained herein and subject to the provisions of the Act, Company shall be entitled to admit its shares, debentures and other securities for dematerialization pursuant to the Depositories Act, 1996 for the time being in force and to offer its shares, debentures and other securities for subscription in a dematerialized form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in physical and dematerialized form in any medium as permitted by law including any form of electronic medium. In the like manner, the Company shall be entitled to rematerialize any dematerialized Shares, Debentures and other securities."



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

(3) Alteration in Article 58(h) of the Articles of Association of the Company.

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

"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be altered by replacing Article 58(h) of the Articles of Association of the company as quoted below:

58(h)(I)(i) The Managing Director shall be appointed for duration of not more than 3 years.

Provided that no person who is more than 58 years of age shall be eligible for appointment to the position of Managing Director.

(ii) Notwithstanding anything contained in Clause I (i) above, the Managing Director who has not attained the age of 60 years shall be eligible for re-appointment only for one more time for a further period not exceeding 3 years if the Selection Committee constituted for the purpose under clause (f) and clause (g), considers such re-appointment conducive to the interest of the company.

(iii) The Managing Director so appointed or re-appointed, as the case may be as per (I) (i) & (ii) above, shall retire on attainment of age of 60 years or completion of the term for which appointment/re-appointment was made, whichever is earlier.

(II)(i) The Director (Technical) and Director (Commercial) shall be appointed for duration of not more than 3 years.

Provided that no person who is more than 60 years of age at the time of making application shall be eligible for appointment to the position of Director (Technical) and Director (Commercial).

(ii) Notwithstanding anything contained in Clause II (i) above, the Director (Technical) and Director (Commercial) who has not attained the age of 62 years shall be eligible for re-appointment only for one more time for a further period not exceeding 3 years if the Selection Committee constituted for the purpose under clause (f) and clause (g), considers such re-appointment conducive to the interest of the company.

(iii) The Director (Technical) and Director (Commercial) so appointed or re-appointed, as the case may be as per (II) (i) & (ii) above, shall retire on attainment of age of 62 years or completion of the term for which appointment/re-appointment was made, whichever is earlier."



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(4) Re-appointment of Director (Commercial) as Whole Time Director of the Company.

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

"RESOLVED THAT pursuant to Article 58(h)(iii) of the Articles of Association of the company and as per order no. 9265/F-3/10/2016/13 dated 20th December, 2018, received from Energy Department, Government of Madhya Pradesh, re-appointment of Shri Manoj Kumar Jhawar (DIN:07306454) as Director (Commercial), a Whole Time Director of the Company with effect from 21st December, 2018 (the date of taking over the charge) for a further period of three years be and is hereby confirmed."

Place : INDORE

By order of the Board of Directors

Date : 21st December, 2018

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 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

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. 1

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 2018-19 as per the following details:

Name of the Cost Auditor	Audit Fees
M/s Vijay P. Joshi & Associates, Cost Accountants, Indore	Rs.95,000/- (Rupees Ninety Five Thousand 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 2018-19.

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

Your directors recommend this Ordinary Resolution for your approval.

Item No. 2

As per the notification of Ministry of Corporate Affairs, Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 dated 10th September, 2018 effective from 2nd October, 2018, every unlisted public company shall issue the securities only in dematerialized form and facilitate dematerialization of existing securities in accordance with provisions of the Depositories Act, 1996 and regulations made thereunder.

Therefore, it is proposed to admit the shares of the company on the depository system of National Securities Depository Limited (NSDL) / Central Depository Services (I) Limited (CDSL) to enable the shareholders of the company to hold the shares in dematerialized form. The company being an unlisted public company, is therefore required to dematerialize its shares.



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The Articles of Association of the Company does not have any clause to give effect to the aforesaid notification of Ministry of Corporate Affairs, hence it is proposed to insert a new clause 8A under the heading of Certificates in the Articles of Association of the Company to facilitate dematerialization of existing securities in accordance with provisions of the Depositories Act, 1996 and regulations made thereunder. Clause 8A is reproduced as mentioned below:

"8A. DEMATERIALIZATION OF SECURITIES

Notwithstanding anything contained herein and subject to the provisions of the Act, Company shall be entitled to admit its shares, debentures and other securities for dematerialization pursuant to the Depositories Act, for the time being in force and to offer its shares, debentures and other securities for subscription in a dematerialized form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in physical and dematerialized form in any medium as permitted by law including any form of electronic medium. In the like manner, the Company shall be entitled to rematerialize any dematerialized Shares, Debentures and other securities."

As per the provisions of Section 14 of the Companies Act, 2013, the aforesaid alterations in the Articles of Association requires approval of the shareholders of the Company by way of a special resolution passed in a general meeting of the company.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed Resolution except to the extent of equity shares held by them as nominees in their ex-officio capacity.

The proposed resolution is in the interest of the Company and your Directors recommend this Special Resolution for your approval.

Item No. 3

The company has received an order dated 3rd April, 2018 from the Principal Secretary, Energy Department, GoMP that according to the amendment made in The Madhya Pradesh Shaskiya Sevak (Adhivarshiki-Ayu) Sansodhan Adhyadesha, 2018, the retirement age of the officers and employees of the power companies which are wholly owned GoMP has been increased from 60 years to 62 years w.e.f. 31st March, 2018.

Further, the company has received a letter dated AF-03/10/2016/13 dated 29th November, 2018 from the OSD, Energy Department, GoMP to alter Article 58(h) of the Articles of Association of the company to increase the age of retirement of Director (Technical/Commercial) from 60 years to 62 years. Also, the age of the person eligible for making application for appointment for the said position shall be increased to 60 years.



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The Articles of Association of the Company are proposed to replaced by the amended Article 58(h) in the Articles of Association of the company.

As per the provisions of Section 14 of the Companies Act, 2013, the aforesaid alterations in the Articles of Association requires approval of the shareholders of the Company by a special resolution passed in a General meeting of the Company.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed Resolution except the director holding such position.

The proposed resolution is in the interest of the company and your directors recommend this Special Resolution for your approval.

Item no. 4

The company has received an order no. 9265/F-3/10/2016/13 dated 20th December, 2018 from Government of M.P., Energy Department regarding the re-appointment of Shri Manoj Kumar Jhawar as Whole Time Director (Commercial) for a further period of three years from the date taking over the charge.

Also, pursuant to the provisions of section 152(2) of the Companies Act, 2013, every director shall be appointed in the General Meeting. Hence, Board is requested to consider the same and recommend for placing it before the General Meeting of the Company for approval.

As per the provisions of Section 152(2) of the Companies Act 2013, every director shall be appointed in the General Meeting of the Company.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed Resolution except Shri Manoj Kumar Jhawar and his relatives.

The proposed resolution is in the interest of the company and your Directors recommend this Ordinary Resolution for your approval.

Place: INDORE

FOR AND ON BEHALF OF THE BOARD

Date :21st December, 2018

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. :

hereby appoint

Name :

Address :

Email ID :

Signature : of failing him

2. Name :

Address :

Email ID :

Signature : or failing him

3. 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 16th Annual General Meeting of the Company, to be held on Thursday the 27th day of December, 2018 at 05.00 PM 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 Statements, Statement of Profit and Loss for the year ended on 31 st March, 2018, 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 2018-19 by the Comptroller and Auditor General of India and to fix the remuneration of auditors.
Special Business
(1) Ratification of remuneration of Cost Auditor.
(2) Alteration in Article 8 of Articles of Association of the Company.
(3) Alteration in Article 58(h) of Articles of Association of the Company.
(4) Re-appointment of Director (Commercial) of the Company.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 16th Annual Report together with Audited Financial Statements of the Company for the year ended on 31st March, 2018.

(1) HIGH LIGHTS OF FINANCIAL RESULTS:

(Rs. In Crores)

	Financial Year ended on 31/03/2018	Financial Year ended on 31/03/2017
Total Income	12,496.42	11,058.30
Total expenditure	12,841.82	11,752.12
Profit / (Loss) Before Exceptional Items and Tax	(345.40)	(693.82)
Exceptional Items (Income) / Expenses	188.40	1246.71
Profit / (Loss) Before Tax	(157.00)	552.89
Tax Expense	0.00	0.00
Profit / (Loss) For The Period	(157.00)	552.89

(2) REVIEW OF OPERATIONS:

During the year under review, the Company has earned a total income of Rs.12,496.42 Crores as against the total income of Rs.11,058.30 Crores in the previous year. The Company during the year under review has incurred a loss of Rs.157.00 Crores as against profit of Rs.552.89 Crores in the previous year.

Operations cell and Discom Control Centre activities:

- (a) The Operations cell O/o MDWZ does various tasks for the improvements 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 MDAS, 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 the 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 hrs power supply to Non-irrigation and 10 hrs to Irrigation consumers could be delivered.
- (d) Operation cell does the various activities of Energy-Audit also. The input to the company 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 received from Solar, Wind & Biomass. The Power purchase bills, Transmission Charges bills, SLDC charges bills etc. are verified for 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.

PROJECTS:

Your Company has been executing, several projects for strengthening electricity distribution net work some of important projects are mentioned below:

Deen Dayal Upadhyay Gram Jyoti Yojna Scheme

The DDUGJY Scheme has been launched for intensive electrification, Metering and Feeder Separation work by Government of India. It includes RGGVY scheme in it. Award has been given to contractors for electrification work in all 15 districts is to be done. In the compliance against scheme 76% financial progress has been achieved under the scheme 50 Nos. substation, 336.4 Km. 33 KV line, 5196.6 Km. 11 KV line, 7893.6 Km. LT line and 126688 Nos. meter work have been completed.

R-APDRP scheme

The Company is implementing R-APDRP scheme for reduction in AT & C losses up to 15% in selected towns of the company. 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 capital investment towards implementations of Part A & Part-B of the scheme is being availed from PFC, the nodal agency and counter funding from REC, New Delhi.

Feeder Separation scheme

For improving voltage profile, minimize transmission and distribution losses, supplying 24 hours supply for non irrigation consumer and 10 hours supply for irrigation consumer. MPPKVCL, Indore has been done feeder separation scheme. For implementing the scheme financial assistance has been received from ADB and REC, New Delhi. In the feeder separation scheme 2853 Nos. of feeders were targeted and it was achieved in month of June, 2017 with 100% completion target.



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Saubhagya Yojna

Saubhagya Yojna had been launched by Hon'ble Prime Minister of India on 25th September, 2017. Under the scheme universal household electrification has been done and for economical weaker families residing in village and sub urban areas were served connection under Saubhagya scheme without taking any charges. All the beneficiaries have been identified and served connection on the basis of SECC 2011 data, for technically not feasible areas solar kit were installed in 1530 houses. MPPKVCL, Indore has served 4.04 lakh connections under Saubhagya scheme and achieved 100% household electrification. In January-18 Indore, Mandsaur & Neemuch districts has been electrified under Saubhagya scheme, in March-18 Agar, in April-18 Dewas, Khandwa, Ratlam and Ujjain, in May-18 Dhar, Shajapur, in June-18 Jhabua and in July-18 Alirajpur, Badwani, Burhanpur and Khargone districts has been electrified and Company achieved 100% household electrification with 4.04 Lakh connections. MPPKVCL, Indore achieved the target within 10 month of launching the scheme and become the first Discom 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 and 50 Lacs for welfare of employees of MPPKVCL, Indore.

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 24th November, 2014. Power Finance Corporation Limited (PFC) is the Nodal Agency for operationalization and implementation of the scheme under the overall guidance of the Ministry of Power (MoP), the main objective of scheme are :

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

The main Components of Integrated power Development Scheme (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 111 statutory towns of 15 circles under the jurisdiction of MPPKVCL-Indore. The projects sanctioned under IPDS for system strengthening works in 111 towns of MPPKVCL-Indore is Rs.523.67 crores, for IT enablement works in 87 towns is Rs.15.06 crores and Rs.7.97 crores for ERP system. The DPR of Rs. 220.80 crores for smart metering works of 3.45 lakh consumers has been sanctioned under IPDS in which PFC has sanctioned the recommended cost of Rs.69.44 crores @Rs.2000/- per node of the smart metering projects. The PFC has sanctioned Rs.3.09 crores for Project Management Agency for supervision and monitoring of the project works under IPDS.



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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.

ADB Loan Projects

The Company has been executing projects through ADB Loan for system strengthening, loss reduction & voltage improvement.

(3) SHARE CAPITAL:

During the year under review, there was no change in the Authorized Capital of the Company.

During the year under review, 1,61,11,000 equity shares on 01st April, 2017, 7,71,74,185 equity shares on 25th September, 2017 and 97,00,000 equity shares on 30th December, 2017 were allotted to holding company and existing shareholder M/s M.P. Power Management Company Limited, Jabalpur, a wholly owned Government of M.P. As such, the issued, subscribed and paid up share capital of the Company as on 31st March, 2018 was Rs.31,59.69 crores divided into 31,59,69,246 equity shares of Rs.100/- each against the Authorized Share Capital of Rs. 5500 Crores divided into 55 Crores equity shares of Rs.100/- each.

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

(4) DIVIDEND:

During the year no dividend was declared by the Company.

(5) DEPOSITS:

During the Financial Year 2017-2018, 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.

(6) RESERVES:

During the year under review, no amount was transferred to General Reserve.



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(7) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

(8) DIRECTORS & KEY MANAGERIAL PERSONNEL:

As per order no. 1084/2018/13 dated 07th February, 2018, issued by GoMP, Energy Department, Shri Prashant Chaturvedi (DIN:07179652), Officer on Special Duty, GoMP, Energy Department has been appointed as Nominee Director of the Company w.e.f. 23rd March, 2018 in place of Shri Mukul Dhariwal (DIN:03589876).

Shri Rishikesh T. Krishnan (DIN:00064067), ceased to be an Independent Director from the Board of the company w.e.f. 31st March, 2018.

During the year under review, Shri Lalit Kumar Sharma expired on 23rd September, 2017 and accordingly, ceased to be Company Secretary of the company.

As per order no. 4283/3052/13/2018 dated 23rd May, 2018, issued by GoMP, Energy Department, Shri Raghwendra Kumar Singh, IAS (DIN:02406936) Commissioner, Indore was appointed as Nominee Director of the company and as per order no. E-1/93/2018/5/1 dated 30th April, 2018, issued by GoMP, General Administration Department, Shri Sanjay Dubey, IAS (DIN:00618163) ceased to be a Nominee Director w.e.f. 2nd May, 2018.

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

As per order no. 5387/F-3/15/2018/13 dated 28th 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 28th June, 2018, issued by GoMP, Energy Department, Shri Akash Tripathi, IAS (DIN:05276428) was reappointed as Managing Director of the company for a further period of two years or till any orderfrom GoMP is issued.

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



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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

Shri Akash Tripathi, IAS (DIN:05276428) ceased to be the Managing Director of the company and was appointed as Commissioner, Indore in place of Shri Raghwendra Kumar Singh, IAS (DIN:02406936). Accordingly, Shri Akash Tripathi, IAS (DIN:05276428) was appointed as Nominee Director of the company as per order no.1860/1075/13/2019 dated 8th March, 2019, issued by GoMP, Energy Department and Shri Raghwendra Kumar Singh, IAS (DIN:02406936) ceased to be a Nominee Director of the company.

As per order No. E-1/59/2019/5/ek dated 07th February, 2019, issued by GoMP, General Administration Department, Shri Sanjay Kumar Shukla, IAS (DIN:00606392) has been 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.

Further, as per order No. E-1/59/2019/5/ek dated 07th February, 2019, issued by GoMP, General Administration Department, Dr. Sanjay Goyal, IAS (DIN:6930704) has been posted as Managing Director of M.P. Power Management Company Limited, Jabalpur and accordingly, the Chairman of the company.

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

Further, as per Order No. E-1/98/2019/5/ek dated 02nd March, 2019, issued by GoMP, General Administration Department, Shri Sukhveer Singh, IAS (DIN:02390931) has been 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. 11th March, 2019 (date of handing over the charge).

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

The Board places its appreciation on record for the services extended by Shri Sanjay Kumar Shukla, IAS (DIN:00606392) and Dr. Sanjay Goyal, IAS (DIN:6930704), 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, Shri Murhari Sopanrao Kele(DIN:07323280) the then Director (Technical) of the company and Shri Rishikesh T. Krishnan (DIN:00064067), Shri Rakesh Jain (DIN:02682574), the then Independent Directors of the company, during their tenure.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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

The members of the Board of Directors of the Company as on 31st March, 2018 were as follows:

Sr. No	Name of Director	Designation	From	DIN
1	Shri Sanjay Kumar Shukla, IAS, MD,MPPMCL	Chairman	28/04/2015	00606392
2	Shri Akash Tripathi, IAS	Managing Director	10/06/2015	05276428
3	Shri Sanjay Dubey, IAS, Commissioner,Indore	Nominee Director	10/01/2014	00618163
4	Shri Ajay Choubey, Deputy Secretary, Finance Department, GoMP	Nominee Director	10/08/2016	07622546
5	Shri Prashant Chaturvedi, Officer On Special Duty, Energy Department, GoMP	Nominee Director	23/03/2018	07179652
6	Dr. Smt. Trapti Jain, Associate Professor,Indian Institute of Technology, Indore	Independent Director	23/05/2015	07182298
7	Shri 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	05/10/2015	07306454
9	Dr. Shri Murhari Sopanrao Kele, Director (Technical)	Whole Time Director	26/11/2015	07323280

The Key Managerial Personnel of the Company as on 31st March, 2018 were as follows:

Name of Key Managerial Personnel	Designation	From	DIN/PAN
Shri Akash Tripathi, IAS	Managing Director	10/06/2015	05276428
Shri Sanjay Vatsa	Chief Financial Officer	05/10/2015	ABLPV8999H
Late Shri Lalit Kumar Sharma	Company Secretary	11/09/2008	ACYPS8078A



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

Particulars of Change in director(s) Key managerial personnel during the year

Name	DIN/PAN	Designation at the beginning/ during the financial year	Date of appointment/ change in designation / cessation	Nature of change (Appointment/ Change in designation / Cessation)
Shri Rishikesh T. Krishnan, Director, IIM, Indore	00064067	Director	31/03/2018	Cessation
Shri Mukul Dhariwal, Officer on Special Duty, GoMP, Energy Department	03589876	Nominee Director	02/01/2018	Cessation
Shri Prashant Chaturvedi, Officer on Special Duty, GoMP, Energy Department	07179652	Nominee Director	23/03/2018	Appointment

(9) 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.

(10) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The following Meetings of the Board of Directors were held during the Financial Year 2017-18:

S.No	No. of Meeting	Date of Meeting	Total Number of directors as on the date of meeting	Attendance	
				Number of directors attended	As % age of total Attendance
1	71	01/04/2017	10	7	70.00
2	72	19/06/2017	10	7	70.00
3	73	25/09/2017	10	6	60.00
4	74	30/12/2017	10	6	60.00
5	75	23/03/2018	09	5	55.56

COMMITTEE MEETINGS

The details of number of Committee Meetings attended by the Directors during the FY 2017-18 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 % age of total members
1	32 nd Audit Committee	19/06/2017	5	4	80.00
2	33 rd Audit Committee	30/12/2017	5	3	60.00
3	Corporate Social Responsibility Committee	30/12/2017	4	3	75.00



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

Attendance of Directors

Sr. No	Name of Directors	Board Meetings			Committee Meetings			Whether attended AGM held on 30/12/2017
		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) Chairman, MD, MPPMCL	5	5	100.00	3	3	100.00	No
2	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director	5	5	100.00	3	3	100.00	Yes
3	Shri Sanjay Dubey, IAS (DIN:00618163) Commissioner, Indore	5	0	0.00	0	0	0.00	Not Applicable
4	Shri Ajay Choubey, (DIN:07622546) Deputy Secretary, GoMP, Finance Department	5	2	40.00	1	0	0.00	No
5	Shri Prashant Chaturvedi, (DIN:07179652), Officer On Special Duty, GoMP, Energy Department	0	0	0.00	0	0	0.00	No
6	Shri Rakesh Saxena, (DIN: 07570628) Director, Shri Govindram Seksaria Institute of Technology & Science, Indore	5	3	60.00	2	2	100.00	No
7	Dr. Smt. Trapti Jain, (DIN:07182298) Associate Professor, IIT, Indore.	5	3	60.00	2	1	50.00	No
8	Shri Manoj Kumar Jhawar, (DIN:07306454) Director (Commercial)	5	5	100.00	0	0	0.00	Yes
9	Dr. Shri Murhari Sopanrao Kele, (DIN:07323280) Director (Technical)	5	3	60.00	0	0	0.00	Not Applicable

**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED****(11) COMMITTEES OF BOARD OF DIRECTORS DURING THE FINANCIAL YEAR 2017-18**

Corporate Social Responsibility Committee		
Sr. No.	Name of Director	Designation
1.	Shri Sanjay Kumar Shukla, IAS(DIN:00606392) MD, MPPMCL	Chairman
2.	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director	Member
3.	Shri Rishikesh T. Krishnan, (DIN:00064067) Director, IIM, Indore	Member
4.	Shri Mukul Dhariwal (DIN:03589876) OSD, GoMP, Energy Department (Ceased to be director and member of the committee on 02 nd January, 2018)	Member
5.	Shri Prashant Chaturvedi (DIN:07179652) OSD, GoMP, Energy Department (Appointed as Nominee Director and member of the committee on 23 rd March, 2018)	Member

Audit committee		
Sr. No.	Name of Director	Designation
1.	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) MD, MPPMCL	Chairman
2.	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director	Member
3.	Shri Rishikesh T. Krishnan (DIN:00064067) Director, Indian Institute of Management, Indore (Ceased to be director and member of the committee on 31 st March, 2018)	Member
4.	Shri Rakesh Saxena (DIN: 07570628) Director, Shri Govindram Seksaria Institute of Technology & Science, Indore	Member
5.	Dr. Smt. Trapti Jain (DIN:07182298) Associate Professor, Indian Institute of Technology, Indore	Member



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

Nomination and Remuneration Committee		
Sr. No.	Name of Director	Designation
1.	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) MD, MPPMCL	Member
2.	Shri Ajay Choubey (DIN:07622546) Deputy Secretary, Finance Department, GoMP	Member
3.	Shri Rishikesha T. Krishnan (DIN:00064067) Director, Indian Institute of Management, Indore (Ceased to be director and member of the committee on 31 st March, 2018)	Member
4.	Dr. Smt. Trapti Jain (DIN:07182298) Associate Professor, Indian Institute of Technology, Indore.	Member

Business Committee		
Sr. No.	Name of Director	Designation
1.	Shri Sanjay Kumar Shukla, IAS (DIN:00606392) MD, MPPMCL	Chairman
2.	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director	Member
3.	Shri Ajay Choubey (DIN:07622546) Deputy Secretary, Finance Department, GoMP	Member
4.	Shri Mukul Dhariwal (DIN:03589876) OSD, GoMP, Energy Department (Ceased to be director and member of the committee on 02 nd January, 2018)	Member
5.	Shri Prashant Chaturvedi (DIN:07179652) OSD, GoMP, Energy Department (Appointed as Nominee Director and member of the committee on 23 rd March, 2018)	Member

Management Committee		
Sr. No.	Name of Director	Designation
1.	Shri Sanjay Kumar Shukla IAS, (DIN:00606392) MD, MPPMCL	Chairman
2.	Shri Akash Tripathi, IAS (DIN:05276428) Managing Director	Member
3.	Shri Ajay Choubey (DIN:07622546) Deputy Secretary, Finance Department, GoMP	Member
4.	Shri Mukul Dhariwal (DIN:03589876), OSD, GoMP, Energy Department (Ceased to be director and member of the committee on 02 nd January, 2018)	Member
5.	Shri Prashant Chaturvedi (DIN:07179652) OSD, GoMP, Energy Department (Appointed as Nominee Director and member of the committee on 23 rd March, 2018)	Member



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

(12) 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.

(13) 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 on the website of the company viz. 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, there are no profits made during three immediate preceding financial years, the Company is not required to spend any amount towards Corporate Social Responsibility activities.

(14) 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.

(15) 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 of the Financial Statements.

(16) 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 is 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

(17) 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. Further, the Managing Director has not received remuneration or commission from the subsidiary companies as the company is having no subsidiaries.

(18) SECRETARIAL STANDARDS:

During the Financial Year 2017-18, the Company has generally complied the Secretarial Standards framed under the Companies Act, 2013.

(19) 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 from the period ended on 31st March, 2018.

(20) 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.

(21) SECRETARIAL AUDIT REPORT:

Messrs Raju Chandrapal & Associates, Practicing Company Secretaries, Indore were appointed as Secretarial Auditors to conduct Secretarial Audit of the records and documents of the Company for FY 2017-18. The Secretarial Auditor Report is self explanatory, annexed hereto and form part of this Report.

(22) 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.

(23) 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.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

The Board of Directors, on recommendation of Audit Committee has appointed Messrs Vijay P. Joshi & Associates, Cost Accountants as Cost Auditor to audit Cost Accounting Records of the Company for the Financial Year commencing on 1st April, 2018 at the remuneration of Rs. 95,000/- only (plus Service Tax).

The Cost Audit Report for the Financial Year 2017-18 was filed with the Ministry of Corporate Affairs on 31st December, 2018.

(24) 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.

(25) 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.

(26) 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 Act.

(27) 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 2017-2018, a compliant was received related to sexual harassment in the Company.

(28) CHANGES IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

(29) 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.

(30) 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 order has been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

(31) 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 the Audit Report. However, the Company is attempting for further strengthening of internal financial control system.

(32) GENERAL MEETINGS:

The last three Annual General Meetings (AGM) were held as under:

AGM	For the Financial Year	Venue	Date	Time
13 th	2014-15	GPH Compound Polo Ground, Indore	31 st December, 2015	11.30 A.M.
13 th Adjourned	2014-15	GPH Compound Polo Ground, Indore	22 nd March, 2016	12.00 Noon
14 th	2015-16	GPH Compound Polo Ground, Indore	26 th December, 2016	12.30 P.M.
15 th	2016-17	GPH Compound Polo Ground, Indore	30 th December, 2017	05.00 P.M.

The 24th Extra Ordinary General Meeting was held on Friday, 11th August, 2017 at the registered office of the Company at GPH Compound, Polo Ground, Indore. Further, the 25th Extra Ordinary General Meeting was held on Tuesday, 24th October, 2017 at the registered office of the Company at GPH Compound, Polo Ground, Indore.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

(33) PARTICULARS OF EMPLOYEES:

There is 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.

(34) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information in respect of Conservation of Energy, Technology Absorption is not applicable being not engaged in production activities.

There is no foreign exchange earning or out go during the period under review.

(35) 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 : 27th March, 2019

DIN:07306454

DIN:07884369

Director (Commercial)

Managing Director



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[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	
(A) Promoters								
(1) Indian								
a) Individual / HUF	-	10*	10*	-	-	10*	10*	-
b) Central Govt.	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	212984051	212984051	100%	NIL	315969236	315969236	100%
e) Banks / FI	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-
Sub-Total(A)(1)		212984061	212984061	100%	NIL	315969246	315969246	100%
(2) Foreign	-	-	-	-	-	-	-	-
a) NRIs – Individuals	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-
Sub-Total(A)(2)	-	0	0	0	0	0	0	0
Total Shareholding of Promoters								
(A) = (A)(1)+(A)(2)		212984061	212984061	100%	NIL	315969246	315969246	100%



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

(B) Public Shareholding	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

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

b) Individuals	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	-	-	-	-	-	-	-	-	-	-
Total Public Share holding (B)=(B) (1)+(B)(2)	-	-	-	-	-	-	-	-	-	-
(C) Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	-	212984061	212984061	100%	NIL	315969246	315969246	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 Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ ncumbered to total shares	
1	M.P. Power Management Company Ltd.	212984051	100.00%	Nil	315969236	100.00%	Nil	102985185
2	Shri Akash Tripathi (DIN:05276428)	1	----	Nil	1	----	Nil	0
3	Shri Manoj Pushp	1	----	Nil	1	----	Nil	0
4	Shri Nagendra Tiwary	1	----	Nil	0	----	Nil	(1)
5	Shri Shivlal Karwadiya	0	----	Nil	1	----	Nil	1
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 Giriraj Kishore Sharma	1	----	Nil	0	----	Nil	(1)
11	Shri Punit Dubey	0	----	Nil	1	----	Nil	1
12	Shri Dileep Dandvate	1	----	Nil	0	----	Nil	(1)
13	Shri Ravishankar Khatri	0	----	Nil	1	----	Nil	1
14	Shri Sanjay Vatsa	1	----	Nil	1	----	Nil	0
	Total	212984061	100.00%	Nil	315969246	100.00%	Nil	102985185



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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	212984061	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 1,61,11,000 Equity shares on 01 st April, 2017, Allotment of 7,71,74,185 Equity shares on 25 th September, 2017 and Allotment of 97,00,000 Equity shares on 30 th December, 2017	100%		100%
	At the end of the year			315969246	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

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	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
1	Shri Sanjay Kumar Shukla, IAS, (DIN:00606392), Chairman				
	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	--	--	--	--
2	Shri Akash Tripathi, IAS, (DIN:05276428), Managing Director				
	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	--
3	Shri Sanjay Dubey, IAS, (DIN:00618163), Nominee Director				
	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**

4	Shri Ajay Choubey, (DIN:07622546), Nominee Director				
	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	--	--	--	--

5	Shri Prashant Chaturvedi, (DIN:07179652), Nominee Director				
	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	--	--	--	--

6	Shri Rakesh Saxena, (DIN:07570628), Independent Director				
	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	--	--	--	--

7	Dr. Smt. Trapti Jain, (DIN:07182298), Independent Director				
	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**

8	Shri Manoj Kumar Jhawar, (DIN:07306454), Director (Commercial)				
	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	--

9	Dr. Shri Murhari Sopanrao Kele, (DIN:07323280), Director (Technical)				
	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	--	--	--	--

1	Shri Sanjay Vatsa, Chief Financial Officer (KMP)				
	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	--

2	Shri Lalit Kumar Sharma, Company Secretary (KMP)				
	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 Crore)
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2017-18				
i) Principal Amount	181.57	9923.5	-	10105.07
ii) Interest due but not paid	6.83	315.2	-	322.03
iii) Interest accrued but not due	65.32	34.49	-	99.81
Total (i+ii+iii)	253.72	10273.19	-	10526.91
Change in Indebtedness during the financial year 2017-18				
Addition	269.23	1854.60	-	2123.83
Reduction	55.34	1902.12	-	1957.46
Net Change	213.89	(47.52)	-	166.37
Indebtedness at the end of the financial year				
i) Principal Amount	380.84	9019.13	-	9399.97
ii) Interest due but not paid	11.74	1183.96	-	1195.70
iii) Interest accrued but not due	75.03	22.58	-	97.61
Total (i+ii+iii)	467.61	10225.67	-	10693.28

Reduction includes conversion of loans and interest into equity and grant under UDAY scheme.



MADHYA PRADESH PASHCHIM 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.	Particular of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri Akash Tripathi, IAS, (DIN:05276428) Managing Director	Shri Manoj Kumar Jhawar, (DIN:07306454) Director (Commercial)	Dr. Shri M. S. Kele, (DIN:07323280) Director (Technical)	
	Gross Salary	Rs.	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2086140	2313065	2272422	6671627
1	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	206621	242405	180842	629868
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961				
2	Stock Options				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify....				
5	Others, please specify				
	Total (A)	2292761	2555470	2453264	7301495
	Ceiling as per the Act				

**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED****B. Remuneration to other Directors:-**

S. No.	Particular of Remuneration	Name of Directors				Total Amount
1	Independent Directors: - Fee for attending Board/ Committee Meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non Executive Directors: - Fee for attending Board/ Committee Meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B1+B2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act			Not Applicable		

**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED****C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD**

S. No.	Particulars of Remuneration	CEO	Company Secretary	CFO	
		Nil	Mr. Lalit Kumar Sharma	Mr. Sanjay Vatsa	Total
1	Gross Salary	-	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	493807	2098838	2592545
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0	7012	7012
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify....	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	0	493807	2105850	2599657



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	AUTHORITY [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
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: 27th March, 2019

Manoj Kumar Jhawar

DIN:07306454

Director (Commercial)
[41]

Vikas Narwal, IAS

DIN:07884369

Managing Director



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

Annexure to the Board's Report 2017-18

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.

1. Details of contracts or arrangements or transactions not at arm's length basis							
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
2. Details of material contracts or arrangement or transactions at arm's length basis							
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	8985.38	-	-		



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

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

To,

The Members,

**Madhya Pradesh Paschim Kshetra Vidyut
Vitaran Company Limited
Registered Office: GPH Compound
Polo Ground - Indore MP 452003
CIN: U40109MP2002SGC015121**

We, have conducted the Secretarial Audit of the compliance 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 me/us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited 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 March 31, 2018, generally 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 ("the Company") for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under read with modifications, exemptions and clarifications thereto;
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made there under: The Company is not a listed entity; hence provisions of this regulation are not applicable to the Company.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under; The Company is not a listed entity; hence provisions of this regulation are not applicable to the company.
- (iv) The Foreign Exchange Management Act, 1999 and the rules made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. Based on the information and Auditor's Report the Company has not entered into any transactions with foreign countries and has not deal in foreign currency during the audit period; hence these regulations have not been considered for the purpose of his report.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act);
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended from time to time. The Company is not a listed entity hence provisions of this regulations are not applicable to the Company.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The Company is not a listed entity hence provisions of this regulations are not applicable to the company.
 - (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009, as amended from time to time. The Company is not a listed entity hence provisions of this regulations are not applicable to the Company.
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014. The Company is not a listed entity hence provisions of this regulations are not applicable to the Company.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. The Company is not a listed entity hence provisions of this regulations are not applicable to the Company.
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client. The Company is not a listed entity hence provisions of this regulations are not applicable to the Company.
 - (g) The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 as amended from time to time. The Company is not a listed entity hence provisions of this regulations are not applicable to the Company.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The Company is not a listed entity hence provisions of this regulations are not applicable to the Company.
- (vi) During the period under 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 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 Standarder) 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.

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

- i) Secretarial Standard issued by the Institute of Company Secretaries of India
- ii) The Listing Agreement entered into by the Company with the Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Company is not a listed entity hence provisions of this regulations are not applicable to the Company.

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

- 1. Shri Sanjay Dubey IAS, Nominee Director having (DIN 00618163) had not attended any Board of Directors Meeting during the Financial Year 2017-2018, therefore as per Section 167 (1) (b) of the Companies Act, 2013 (Vacation of Office of Director) is liable to vacate his office.**
- 2. In the Agenda and Minutes of 73rdBOD Meeting dated 25.09.2017 there is no noting or take on record the causal vacancy of Company Secretary (KMP) due to his death on dated 23.09.2017 and further appointment of Company Secretary KMP (due to causal vacancy cause by death of previous Company Secretary on dated 23.09.2017) is not within the time limit as prescribe in the Companies Act, 2013.**



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

- 3. The Company has filled the e-Form AOC-4 (Pursuant to section 137 of the Companies Act, 2013 and rule 12(2) of Companies (Accounts) Rules, 2014) for the financial year ending on 2017 vide SRN: H26917088 on dated 05.11.2018, is not filled as per the Companies Act, 2013 and MCA Notification No. G.S.R. 1372 E dated 06.11.2017.**
- 4. The Company has filled various forms and returns after the time as specified in the Companies Act, with additional fee.**

I further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors although Shri Rishikesh T. Krishnan having DIN: 00064067 had been ceased to be Independent Director on the Board w.e.f. 31.03.2018. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed note 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 further report that during the audit period the Company has specific events/actions that having a major bearing on the company's affairs in pursuance of the above referred laws, rules , regulations, guidelines, standered, etc.

Note: This Report is to be read with our letter dated 30.01.2019 which is annex as (Annexure A) and forms and integral part of this report.

**For Raju Chandra Pal & Co.
Company Secretaries**

**Raju Chandra Pal
FCS: 9927 COP No:14771**

**Date: 30.01.2019
Place: Indore (MP)**



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

Annexure - A

To,

The Members,

**Madhya Pradesh Paschim Kshetra Vidyut
Vitaran Company Limited
Registered Office: GPH Compound
Polo Ground - Indore MP 452003
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.

**For Raju Chandra Pal & Co.
Company Secretaries**

Raju Chandra Pal

FCS: 9927 COP No:14771

Date: 30.01.2019

Place: Indore (MP)



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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

पत्र सं./आ.क्षे.तृतीय/सी.ए.डबल्यू-III/2018-19/जा.न. 2632

दिनांक 13/03/2019

प्रति,

प्रबंध संचालक

मध्य प्रदेश पश्चिम क्षेत्र विद्युत वितरण

कंपनी लिमिटेड, इन्दौर

विषय:- मध्य प्रदेश पश्चिम क्षेत्र विद्युत वितरण कंपनी लिमिटेड, इन्दौर के 31 मार्च, 2018 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, इन्दौर के 31 मार्च, 2018 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

वरिष्ठ उपमहालेखाकार
(आर्थिक क्षेत्र-तृतीय)

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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 31st MARCH, 2018.

The preparation of financial statements of Madhya Pradesh Pashchim Kshetra Vidyut Vitaran Company Limited, for the year ended 31 March, 2018 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 21 December, 2018.

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, 2018 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) (b) 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.

1. Statement of Profit and Loss

Diluted Earnings per share (Note-32) -Rs. (-) 5.68 per share

The Company had received the share Application money from Government of Madhya Pradesh for 7,58,48,185 number of shares before 01/04/2017 and shares were allotted against the same on 25/09/2017. As per requirement of IND-AS 33 for evaluating the weightage of the dilutive potential ordinary shares, the period between the commencement of financial year and allotment of shares (from 01/04/2017 to 25/09/2017) should have been considered (i.e. 177 days). However, this was not considered by the Company.

This has resulted in incorrect reporting of the diluted EPS as Rs.(-) 5.68 per share instead of Rs.(-) 5.01 per share.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

2. Notes to the Financial Statements

As per Minutes of Meeting (28/5/2018) held at office of the AG (E & RSA) MP Bhopal for the reconciliation of Investment made by the Government of Madhya Pradesh in Equity and Loan and Guarantees given by the GoMP, it was decided that Financial Statements should disclose schemes wise details of the same. However, no such disclosure made by the Company.

Thus, the notes forming part of Financial Statements are deficient to that extent.

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

Place : Bhopal

Date : 13.03.2019

(Bijit Kumar Mukharjee)
Accountant General,
(Economic & Revenue Sector Audit)
Madhya Pradesh, Bhopal



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

**REPLIES OF COMPANY ON FINAL COMMENTS OF THE CAG, INDIA UNDER SECTION 143(6)(b)
OF THE COMPANIES ACT, 2013 ON THE ANNUAL FINANCIAL STATEMENTS FOR FY 2017-18.**

S. NO.	CAG COMMENTS / OBSERVATIONS	REPLY OF MPPKVCL, INDORE
1	<p>Statement of Profit and Loss</p> <p>Diluted Earnings per share (Note-32) -Rs. (-) 5.68 per share</p> <p>The Company had received the share Application money from Government of Madhya Pradesh for 7,58,48,185 number of shares before 01/04/2017 and shares were allotted against the same on 25/09/2017. As per requirement of IND-AS 33 for evaluating the weightage of the dilutive potential ordinary shares, the period between the commencement of financial year and allotment of shares (from 1/04/2017 to 25/09/2017) should have been considered (i.e. 177 days). However, this was not considered by the Company.</p> <p>This has resulted in incorrect reporting of the diluted EPS as Rs. (-) 5.68 per share instead of (-) 5.01 per share.</p>	<p>The suggestion of CAG, India in this regard shall be complied in the next year's Financial Statements.</p>
2	<p>Notes to the Annual Financial Statements</p> <p>As per Minutes of Meeting (28/05/2018) held at office of the AG (E & RSA) MP Bhopal for the reconciliation of Investment made by the Government of Madhya Pradesh in Equity and Loan and Guarantees given by the GoMP, it was decided that Annual Financial Statements should disclose schemes wise details of the same. However, no such disclosure made by the Company.</p> <p>Thus, the notes forming part of Annual Financial Statements are deficient to that extent.</p>	<p>The suggestion of CAG, India in this regard shall be complied in the next year's Financial Statements.</p>

**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 2017-18

S. NO.	Heading/S.No in Auditor's Report	Auditor's observation	Reply of MPPKVCL
1	Basis for Qualified Opinion		
(i)	(i)	Non provision of Rs.95.36 crores arising out of the scheme notified by Government of M.P. in July, 2018 which had been considered as non adjusting event as per Ind AS-10 "Refer Note 41(y) of notes to the financial statements". In our opinion the non recovery of amount of Rs.95.36 crores is an adjusting event, since the probability for non-recovery of Trade Receivable existed on Balance Sheet date and which has been confirmed on launch of the scheme in July, 2018.	As per Ind AS 10 "Events after the Reporting Period" the above is considered to be a non-adjusting event as the scheme was declared after the reporting date i.e. 31 st March, 2018 and there were no evidence of conditions of the scheme being existed at the end of reporting date. Further, the scheme is applicable from July, 2018 (Billed in August, 2018). Therefore, Company shall not be required to make any adjustment relating to this scheme in its financial statements for the reporting date i.e., 31 st March, 2018
(ii)	(ii)	The Company has not carried out actuarial valuation for ascertaining its liability towards employee benefits in respect of Gratuity and Leave encashment. This is not in accordance with the requirement of Indian Accounting Standard (Ind AS) - 19 "Employee Benefits"; also, the required disclosures have not been made.	<p>The Company has already appointed an Actuary Firm for conducting Actuarial Valuation of employees of MPPMCL, Jabalpur and its all Subsidiary Companies for five years vide letter no: 24313, dated 15-12-17.</p> <p>It is expected that the Company shall receive latest Actuarial Valuation report and accordingly, the provisions towards terminal benefits shall be made on basis of new Actuarial Valuation report and also required disclosures shall be given in the financial statements.</p>

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

S. NO.	Heading/S.No in Auditor's Report	Auditor's observation	Reply of MPPKVCL
(iii)	(iii)	<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 & Sundry Debtors for Sale of Power shown in the Financial Statements amounting to Rs. 149.04 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.149.04 Crore (approx.) as on Balance Sheet date which does not have any material impact on the financial statement.</p> <p>However, 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	Emphasis of matter & Other Matter paragraph	In these paragraphs, attention of members are invited by the Auditor on some items of Significant Accounting Policies in Note No. 41 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	Report on Other Legal and Regulatory Requirements as per CARO	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.	
(i)	Annexure- "A" To The Auditor's Report (CARO)		

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

S. NO.	Heading/S.No in Auditor's Report	Auditor's observation	Reply of MPPKVCL
(ii)	The Companies (Auditor's Report) Order, 2016 (CARO) 1(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.	Commercial operations of the company commenced from 01.06.2005 after unbundling of erstwhile MPSEB. GoMP vide notification dated 31 st May, 2005 notified provisional opening balances of the Company, subsequently GoMP vide notification 12 th June, 2008 notified final opening balances belonging to Company. However, Justification/ explanation of some of the items of opening balances in respect of Fixed Assets are still awaited from MPSEB/ MPPMCL. Further, 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. However, all field offices have been directed to conduct physical verification of fixed assets and to submit the item wise and location wise details of assets / report to this office.
(iii)	CARO 1(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.	Commercial operations of the company commenced from 01.06.2005 & after unbundling of erstwhile MPSEB. GoMP vide notification dated 31 st May, 2005 notified provisional opening balance of the Company, subsequently GoMP vide notification 12 th June, 2008 notified final opening balances belonging to Company. However, Justification/ explanation of some of the items of opening balances in respect of fixed assets (land & building) are still awaited from MPSEB/ MPPMCL.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

S. NO.	Heading/S.No in Auditor's Report	Auditor's observation	Reply of MPPKVCL
			The Company is in the process of transfer of title deed in the name of Company.
4	2(e) Section 143(3) Reporting	<p>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 thereunder; except for the effects of the matter described in the Basis for Qualified Opinion paragraph, Emphasis of Matter paragraph as above in so far as it relates to:</p> <ul style="list-style-type: none"> ○ Ind AS-10: Events after the Reporting Period ○ Ind AS-19: Employee Benefits 	The Company is in the process of gradually evolving and modifying its existing Accounting policies to be in line with IND Accounting Standards referred to in Section 133 of the Act.
5	Internal Financial Controls Over Financial Reporting	According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2017:	
	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.	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.149.04 Crore (approx.) as on Balance Sheet date which does not have any material impact on the financial statement.

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

S. NO.	Heading/S.No in Auditor's Report	Auditor's observation	Reply of MPPKVCL
			However, 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.
	II	The Company did not have an appropriate internal control system for identification of slow moving, non-moving and obsolete Inventory.	<p>The company is maintaining proper records of Slow Moving Items and Non-Moving Items of Inventory at its all area store. However, in the FY 2017-18, Area Stores did not provide the records of Slow Moving Items and Non-Moving Items to Chartered Accountant firms during "Physical Verification of Inventory".</p> <p>In the FY 2018-19, All Area Stores have been instructed to provide records of Slow Moving Items and Non-Moving Items to Chartered Accountant firms at the time of Conducting Physical Verification of Inventory so the same may be certified by them.</p>
	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.	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.

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

S. NO.	Heading/S.No in Auditor's Report	Auditor's observation	Reply of MPPKVCL
			<p>In order to comply the said policy, many letters were issued by this office time to time to speed up the process and cover maximum capitalisation amount. However the amount of Technical certificate (Annexure-G/PCR) submitted by field offices are very low in amount as compared to actual capital expenditure incurred during the year.</p> <p>Further, to speed up the process and get work done on priority basis same has been included in monthly performance evaluation parameter (KPI) of the Circles also.</p>

Chief Financial Officer
MPPKVCL, Indore

Managing Director
MPPKVCL, Indore



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18
BALANCE SHEET AS AT MARCH 31, 2018

S.No	Particulars	Notes	Amount in Rs. Crores	
			As at 31.03.2018	As at 31.03.2017
	ASSETS			
(1)	Non-Current Assets			
	(a) Property, plant and equipment	6.1	3,640.83	3,291.26
	(b) Capital work-in-progress	6.2	2,231.68	2,173.11
	(c) Other intangible assets	7	26.71	32.48
	(d) Intangible assets under development	7.1	-	-
	(e) Financial assets			
	(i) Investments			
	(ii) Trade receivables	9A	-	-
	(iii) Loans	10A	0.00	0.01
	(iv) Other financial assets	11A	0.24	0.22
	(f) Non-current tax assets	12A	8.20	9.92
	(g) Other non-current assets	13A	467.21	121.55
	Total Non-Current Assets		6,374.87	5,628.54
(2)	Current Assets			
	(a) Inventories	14	136.92	94.75
	(b) Financial assets			
	(i) Trade receivables	9B	1,832.42	1,821.65
	(ii) Cash and cash equivalents	15	961.50	558.56
	(iii) Bank balances other than (ii) above	15	453.18	189.86
	(iv) Loans	10B	0.01	0.01
	(v) Other financial assets	11B	317.17	284.63
	(c) Current tax assets	12B	-	-
	(d) Other current assets	13B	2,828.14	1,220.81
	Total Current Assets		6,529.34	4,170.26
	Total Assets		12,904.21	9,798.80
	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity share capital	16	3,159.69	2,129.84
	(b) Other equity	17	(7,453.16)	(8,346.01)
	Total Equity		(4,293.47)	(6,216.16)
	Liabilities			
(2)	Non-Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18A	9,042.55	9,890.98
	(ii) Trade payables	19A	-	-
	(iii) Other financial liabilities	20A	1,031.63	914.95
	(b) Provisions	21A	1,031.43	1,290.75
	(c) Deferred income	22A	1,959.18	1,631.83
	(d) Other non-current liabilities	23A	413.21	332.08
	Total Non-Current Liabilities		13,478.00	14,060.58
(3)	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18B	-	-
	(ii) Trade payables	19B	1,155.67	1,008.82
	(iii) Other financial liabilities	20B	1,859.80	791.40
	(b) Provisions	21B	499.72	-
	(c) Deferred income	22B	-	-
	(d) Other current liabilities	23B	204.50	154.16
	Total Current Liabilities		3,719.68	1,954.39
	Total Liabilities		17,197.69	16,014.97
	Total Equity and Liabilities		12,904.21	9,798.80

Significant Accounting Policies And Notes on Financial Statements
 (Note 01 To 41) forming an integral part of the Financial Statements

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

PLACE: INDORE

DATE : 21 DECEMBER 2018

(AKASH TRIPATHI)

MANAGING DIRECTOR

(A. KULKARNI)

COMPANY SECRETARY

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER

(M.K.JHAWAR)

DIRECTOR (COMMERCIAL)



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amount in Rs. Crores				
S.No	Particulars	Note	Year ended 31.03.2018	Year ended 31.03.2017
I	Revenue From Operations	24	11,928.38	10,521.90
II	Other Income	25	568.04	536.40
III	Total Revenue (I + II)		12,496.42	11,058.30
IV	Expenses			
(1)	Power Purchase and Transmission Charges	26	10,019.21	9,752.57
(2)	Employee Benefits Expense	27	1,022.21	864.81
(3)	Finance Costs	28	947.15	378.39
(4)	Depreciation and Amortisation Expense	29	257.03	234.57
(5)	Other Expenses	30	596.22	521.78
IV	Total Expenses (IV)		12,841.82	11,752.12
V	Profit / (Loss) Before Tax (III - IV)		(345.40)	(693.82)
	Less: Exceptional Items	31	(188.40)	(1,246.71)
VI	Profit / (Loss) Before Tax But After Exceptional items		(157.00)	552.89
VII	Tax Expense			
(1)	Current tax		-	-
(2)	Deferred tax		-	-
	Total Tax Expense		-	-
VIII	Profit / (Loss) For The Year (VI - VII)		(157.00)	552.89
IX	Other Comprehensive Income		-	-
X	Total Comprehensive Income For The Period (VIII + IX)		(157.00)	552.89
XI	Earnings Per Equity Share:			
(1)	Basic EPS	32	(5.79)	26.14
(2)	Diluted EPS	32	(5.68)	25.75

Significant Accounting Policies And Notes on Financial Statements
(Note 01 To 41) forming an integral part of the Financial Statements

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

PLACE: INDORE

DATE : 21 DECEMBER 2018

(AKASH TRIPATHI)

MANAGING DIRECTOR

(A. KULKARNI) (SANJAY VATSA) (M.K.JHAWAR)
COMPANY SECRETARY CHIEF FINANCIAL OFFICER DIRECTOR (COMMERCIAL)



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2018

S.No	Particulars		Amount in Rs. Crores	
			Year ended 31.03.2018	Year ended 31.03.2017
A.	Cash Flows From Operating Activities			
	Profit for the period		(157.00)	552.89
	Adjustments for:			
(1)	Income tax expense recognised in profit or loss		-	-
(2)	Allowance for Expected Credit Loss		122.05	93.14
(3)	Provision for Employee Benefit Expenses		240.40	113.26
(4)	Depreciation and Amortisation of non-current assets		257.03	234.57
(5)	Finance costs recognised in profit or loss		845.13	153.16
(6)	Interest income recognised in profit or loss		(29.70)	(30.67)
(7)	Net (gain) / loss on disposal of scrap materials		(9.66)	(6.38)
(8)	Sundry Creditor written back		(180.48)	(190.77)
(9)	Income from Consumer Contribution recognised in P&L		(127.09)	(128.20)
	Cash Flows From Operating Activities		960.68	790.99
	Movements in working capital:			
(1)	(Increase) / decrease in inventories		(42.17)	31.83
(2)	(Increase) / decrease in trade receivables		(132.83)	(277.68)
(3)	(Increase) / decrease in loans and other financial asset		(32.55)	57.14
(4)	(Increase) / decrease in other assets		(1,607.34)	(826.01)
(5)	Increase / (decrease) in Borrowings		-	-
(6)	Increase / (decrease) in trade payables		327.33	130.55
(7)	Increase / (decrease) in other financial liabilities		1,068.40	(176.64)
(8)	Increase / (decrease) in other liabilities		113.34	(22.52)
	Cash (Used In) / Generated From Operations		654.86	(292.33)
	Income taxes paid		1.72	0.47
	Net Cash (Used In) / Generated By Operating Activities		656.58	(291.86)
B.	Cash Flows From Investing Activities			
(1)	Interest received from banks and others		29.70	30.67
(2)	Proceeds from sale of scrap material		9.66	6.38
(3)	Payment made to the government authorities		2.60	1.95
(4)	Receipts/(Deposits) made with Banks		(263.33)	141.96
(5)	Proceeds from deposits against temporary connections		18.14	12.18
(6)	Payments for PPE (including capital advances)		(1,007.67)	(699.29)
(7)	Payments to acquire financial assets		0.01	(0.02)
(8)	Payments for intangible assets		(0.00)	(9.45)
	Net Cash (Used In) / Generated By Investing Activities		(1,210.89)	(515.62)
C.	Cash Flows From Financing Activities			
(1)	Proceeds/(Allotment) of Share Application		2,079.70	943.98
(2)	Proceeds from Grants and Consumer Contributions		454.45	411.67
(3)	Proceeds from borrowings		(848.43)	(294.26)
(4)	Proceeds from of Deposits		116.68	100.89
(5)	Finance cost paid		(845.13)	(153.16)
	Net Cash (Used In) / Generated By Financing Activities		957.27	1,009.12
	Net Increase Or (Decrease) In Cash Or Cash Equivalents		402.95	201.64
	Cash And Cash Equivalents At The Beginning Of The Year		558.55	356.92
	Cash And Cash Equivalents At The End Of The Year		961.50	558.56



MADHYA PRADESH PASCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS - FY 2017-18

Notes:

1). The above cash flow statement has been prepared under the indirect method set out in Ind AS:7 - Statement of Cash Flows.

2). For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

S.No	Particulars	Amount in Rs. Crores	
		Year ended 31.03.2018	Year ended 31.03.2017
(a)	Balances with banks	384.93	240.38
(b)	Cash in hand	0.11	0.07
(c)	Collection suspense account	0.17	0.01
(d)	Balances with banks in form of FDR	576.29	318.10
Total Cash and Cash Equivalents		961.50	558.56

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

S.No	Particulars	Amount in Rs. Crores	
		Year ended 31.03.2018	Year ended 31.03.2017
	Long term Borrowings		
(i)	- Opening balance	10,105.06	10,349.76
(ii)	- Received during the year	716.42	1,854.41
(iii)	- Repayment made during the year	(1,421.51)	(2,099.11)
(iv)	- Changes on account of foreign currency fluctuations	-	-
(v)	- Change on account of fair value measurement	-	-
	Total Liabilities From Financing Activities	(9,399.97)	(10,105.06)

Note:

- 1) Opening balance of loans include the overdue liability of principal amount of loans, Perpetual loans and Medium Term loans obtained for the purpose of Working Capital requirements included in above and Repayments include conversion under UDAY Scheme.

Significant Accounting Policies And Notes on Financial Statements
 (Note 01 To 41) forming an integral part of the Financial Statements

As Per Our Report of Even Date

For FADNIS & GUPTE
 CHARTERED ACCOUNTANTS
 FRN: 006600C

FOR AND ON BEHALF OF THE BOARD

CA: SUDHIR JOSHI

(AKASH TRIPATHI)
 MANAGING DIRECTOR

PARTNER
 M NO: 012368
 PLACE: INDORE
 DATE : 21 DECEMBER 2018

(A. KULKARNI)
 COMPANY SECRETARY

(SANJAY VATSA)
 CHIEF FINANCIAL OFFICER

(M.K.JHAWAR)
 DIRECTOR (COMMERCIAL)



MADHYA PRADESH PASCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

Amount in Rs. Crores

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance As At 01.04.2016	2,065.38
Changes In Equity Share Capital During The Year	
- Issue Of Equity Share Capital	64.46
Balance As At 31.03.2017	2,129.84
Changes In Equity Share Capital During The Year	
- Issue Of Equity Share Capital	1,029.85
Balance As At 31.03.2018	3,159.69

B. OTHER EQUITY

Particulars	Other Equity			Total
	General Reserves (Insurance)	Share Application Money Pending Allotment	Retained Earnings	
Balance As At 01.04.2016	79.22	40.07	(9,897.70)	(9,778.41)
Transfer to reserves	-	-	-	-
Transfer from reserves	-	-	-	-
Profit for the year	-	-	552.89	552.89
Share Application Money Received during the year	-	943.98	-	943.98
Share Alloted during the year	-	(64.46)	-	(64.46)
Balance As At 31.03.2017	79.22	919.59	(9,344.81)	(8,346.01)
Profit for the year	-	-	(157.00)	(157.00)
Share Application Money Received during the year	-	2,079.70	-	2,079.70
Share Alloted during the year	-	(1,029.85)	-	(1,029.85)
Balance As At 31.03.2018	79.22	1,969.44	(9,501.81)	(7,453.16)

Significant Accounting Policies And Notes on Financial Statements
 (Note 01 To 41) 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

(AKASH TRIPATHI)
 MANAGING DIRECTOR

PARTNER
 M NO: 012368
 PLACE: INDORE
 DATE : 21 DECEMBER 2018

(A. KULKARNI) (SANJAY VATSA) (M.K.JHAWAR)
 COMPANY SECRETARY CHIEF FINANCIAL OFFICER/DIRECTOR (COMMERCIAL)



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

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 RGGVY / CC Assets	Total Tangible Assets
FY 2017-18												
A) Cost or Deemed Cost												
Balance As At April 01, 2017	4.25	1.05	65.24	5.04	1,220.08	1,564.70	1.62	4.35	47.35	129.28	698.91	3,741.86
Additions	-	0.06	31.61	0.85	102.44	118.03	-	0.42	14.86	10.16	325.52	603.94
Disposals	-	-	-	-	(1.37)	(6.63)	(0.02)	-	-	-	-	(8.03)
Transferred To Project	-	-	-	-	-	-	-	-	-	-	-	-
Cost As At March 31, 2018	4.25	1.11	96.85	5.89	1,321.14	1,676.09	1.60	4.77	62.21	139.44	1,024.43	4,337.78
B) Accumulated Depreciation As At April 1, 2017		0.09	6.46	0.81	159.78	174.71	0.08	0.35	10.66	27.38	70.28	450.61
Charge for the period	-	0.05	3.85	0.39	82.71	93.81	0.12	0.22	7.73	14.76	47.62	251.26
Disposals	-	-	-	-	(0.84)	(4.07)	(0.01)	-	-	-	-	(4.93)
Other re-classifications	-	-	-	-	27.38	-	-	-	-	(27.38)	-	-
Accumulated Depreciation As At March 31, 2018		0.13	10.31	1.20	269.04	264.46	0.19	0.57	18.39	14.76	117.90	696.95
C) Net carrying value as at March 31, 2017	4.25	0.96	58.76	4.23	1,060.30	1,389.98	1.54	4.00	36.69	101.92	628.63	3,291.26
D) Net Carrying Value As At March 31, 2018	4.25	0.98	86.54	4.69	1,052.11	1,411.63	1.41	4.19	43.82	124.68	906.53	3,640.83

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 RGGVY / CC Assets	Total Tangible Assets
FY 2016-17												
A) Cost or Deemed Cost												
Balance As At April 01, 2016	4.25	1.05	64.74	4.04	1,103.99	1,498.61	0.46	3.65	40.24	141.69	654.58	3,517.29
Additions	-	-	0.49	1.00	117.10	69.13	1.19	0.71	7.12	-	44.33	241.06
Disposals	-	-	-	-	(1.01)	(3.04)	(0.03)	-	-	-	-	(4.08)
Transferred To Project	-	-	-	-	-	-	-	-	-	(12.41)	-	(12.41)
Balance As At March 31, 2017	4.25	1.05	65.24	5.04	1,220.08	1,564.70	1.62	4.35	47.35	129.28	698.91	3,741.86
B) Accumulated Depreciation As At April 1, 2016		0.04	3.19	0.40	80.76	88.40	(0.00)	0.16	3.94	15.00	31.04	222.94
Charge for the period	-	0.04	3.28	0.41	78.22	87.87	0.10	0.19	6.72	13.69	39.24	229.76
Disposals	-	-	-	-	(0.52)	(1.56)	(0.02)	-	-	-	-	(2.10)
Other re-classifications	-	-	-	-	1.31	-	-	-	-	(1.31)	-	-
Accumulated depreciation As At March 31, 2017		0.09	6.46	0.81	159.78	174.71	0.08	0.35	10.66	27.38	70.28	450.61
C) Net carrying value As At April 1, 2016	4.25	1.01	61.56	3.63	1,023.23	1,410.21	0.46	3.48	36.29	126.69	623.55	3,294.36
D) Net carrying value As At March 31, 2017	4.25	0.96	58.77	4.23	1,060.30	1,389.98	1.54	4.00	36.69	101.91	628.63	3,291.26

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE: 6.2- CAPITAL WORK-IN-PROGRESS

Particulars		Amount in Rs. Crores	
		As at 31.03.2018	As at 31.03.2017
Capital Work-In-Progress At Cost		2,231.68	2,173.11
Total Capital Work-In-Progress		2,231.68	2,173.11

Carrying Amount		Amount in Rs. Crores	
		Total CWIP Amount	
Balance As At April 01, 2016		1,635.09	
Additions		774.59	
Other adjustments		-	
Capitalised during the year		(236.58)	
Balance As At March 31, 2017		2,173.11	
Additions		644.01	
Other adjustments		-	
Capitalised during the year		(585.44)	
Balance As At March 31, 2018		2,231.68	

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

(SANJAY VATSA)
CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 7 - OTHER INTANGIBLE ASSETS

A) Carrying Amount of:

Particulars	Amount in Rs. Crores	
	As at 31.03.2018	As at 31.03.2017
(a) Computer Software	26.71	32.48
Total	26.71	32.48

B) Cost or Deemed Cost of Computer Software

Particulars	Amount in Rs. Crores
Balance As At 01.04.2016	30.75
Additions	9.45
Disposals	-
Balance As At 31.03.2017	40.21
Additions	0.00
Disposals	-
Balance As At 31.03.2018	40.21

C) Accumulated Depreciation

Particulars	Computer software
Balance As At 01.04.2016	2.94
Depreciation Expense	4.79
Disposals	-
Balance As At 31.03.2017	7.73
Depreciation Expense	5.76
Disposals	-
Balance As At 31.03.2018	13.49

D) Net Carrying Amount (B-C)

Particulars	Computer software
Balance As At 01.04.2016	27.81
Additions/Adjustments	9.45
Disposals	-
Depreciation Expense	4.79
Balance As At 31.03.2017	32.48
Additions	0.00
Disposals	-
Depreciation Expense	5.76
Balance As At 31.03.2018	26.71

(DR. SHAILESH KARDAM)
DY. DIRECTOR (ACCOUNT, TAX & TARIFF)

(SANJAY VATSA)
CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 7 - OTHER INTANGIBLE ASSETS

7.1. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	Amount in Rs. Crores	
	As at 31.03.2018	As at 31.03.2017
Intangible Assets Under Development	-	-
Total Intangible Assets Under Development	-	-

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 8 - INVESTMENTS - NON CURRENT

I. Other Investments Amount in Rs. Crores

Particulars	As at 31.03.2018		As at 31.03.2017	
	Quantity	Amount	Quantity	Amount
	Units	Rs. in crores	Units	Rs. in crores
Unquoted Investments				
Investments in Equity				
(a) - Investments In R.E. Co-Operative Society	-	1.37	-	1.37
Less: Provision For Dimunition In The Value	-	(1.37)	-	(1.37)
Total - Investments	-	-	-	-
Total - Other Non-Current Investments	-	-	-	-

Additional Information Amount in Rs. Crores

Particulars	As at 31.03.2018		As at 31.03.2017	
	Quantity Units	Amount Rs. in crores	Quantity Units	Amount Rs. in crores
a) Aggregate Amount Of Investments And Market Value	-	-	-	-
b) Aggregate Amount Of Unquoted Investments	-	1.37	-	1.37
c) Aggregate Amount Of Impairment In Value	-	(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.

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 9 - TRADE RECEIVABLES

A. Non-Current

Particulars	As at 31.03.2018	Amount in Rs. Crores As at 31.03.2017
(a) Unsecured, considered good	-	-
(b) Unsecured, considered doubtful	-	-
Less: Allowance for Expected Credit Losses	-	-
Total Non Current Trade Receivables -NET	-	-

B. Current

Particulars	As at 31.03.2018	Amount in Rs. Crores As at 31.03.2017
Receivable from Consumers for Sale of Power		
I) Outstanding for more than six months		
(a) Unsecured, considered good	2,552.90	2,151.76
(b) Unsecured, considered doubtful	426.58	515.63
Less: Allowance for Expected Credit Losses	(1,193.96)	(1,079.64)
II) Outstanding for less than six months		
(a) Unsecured, considered good	46.90	233.90
(b) Unsecured, considered doubtful	-	-
Total Non Current Trade Receivables -NET	1,832.42	1,821.65

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 10 - LOANS

A. Non-Current

Particulars	As at 31.03.2018	Amount in Rs. Crores As at 31.03.2017
I) Loans to Employees		
a) Secured, considered good	0.00	0.01
b) Secured, considered doubtful	-	-
c) Less: Impairment of Loans	-	-
II) Loans to REC Society		
a) Unsecured, considered good	-	-
b) Unsecured, considered doubtful	3.74	3.74
c) Less: Impairment of Loans	(3.74)	(3.74)
III) Loans to Related Parties		
a) Unsecured, considered good	-	-
b) Unsecured, considered doubtful	-	-
c) Less: Impairment of Loans	-	-
Total Non-Current Loans	0.00	0.01

B. Current

Particulars	As at 31.03.2018	Amount in Rs. Crores As at 31.03.2017
I) Loans to Employees		
a) Unsecured, considered good	0.01	0.01
b) Less: Impairment of Loans	-	-
(II) Other Loans and Advances		
a) Unsecured, considered good	-	-
b) Less: Impairment of Loans	-	-
Total Current Loans	0.01	0.01

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.

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 11 - OTHER FINANCIAL ASSETS

A. Non-Current

Amount in Rs. Crores

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Security Deposits	0.24	0.22
Total Other Non-Current Financial Assets	0.24	0.22

B. Current

Amount in Rs. Crores

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Interest accrued and due	13.33	9.87
(b) Interest accrued and but not due	0.00	0.00
(c) Amount recoverable from employees	0.21	0.19
(d) Other claims & Receivables	24.86	57.16
(e) Provision for Unbilled Revenue	278.94	209.66
(f) Receivable from Franchisee	19.36	19.36
(g) Other receivables	0.03	0.03
Less: Impairment on Receivable	(19.57)	(11.63)
Total Other Current Financial Assets	317.17	284.63

Note:

1) See note: 41(k) regarding Impairment on Franchisee Receivables

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 12 - TAX ASSETS

A. Non-current

Particulars	Amount in Rs. Crores	
	As at 31.03.2018	As at 31.03.2017
(a) TDS Receivable and Advance Tax	8.20	9.92
Total Non Current Tax Assets	8.20	9.92

B. Current

Particulars	Amount in Rs. Crores	
	As at 31.03.2018	As at 31.03.2017
(a) TDS Receivable and Advance Tax	-	-
Total Current Tax Assets	-	-

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 13 - OTHER ASSETS

A. Non-Current

Amount in Rs. Crores

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Capital Advance (Unsecured, considered good)	464.21	115.95
(b) Balances with government authorities	2.50	2.74
(c) Input tax Rebate/VAT Receivable	0.51	2.87
Gross Other Non-Current Assets	467.21	121.55
Less: Allowance for Bad and Doubtful	-	-
Total Other Non-Current Assets	467.21	121.55
Classification Of Non Current Assets:		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	467.21	121.55
(c) Doubtful	-	-
Gross Other Non-Current Assets	467.21	121.55

B. Current

Amount in Rs. Crores

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Advances to staff	0.25	0.42
(b) Advances for O&M Supplies/Works	1.52	1.53
(Secured, considered good)		
(c) Advance payment made to MPSEB/MPPMCL	2,792.55	1,114.70
(d) Prepaid expenses	0.18	0.17
(e) Receivable from Govt. For Tariff Subsidy	33.65	103.98
(Unsecured, considered good)		
Total Other Current Assets	2,828.14	1,220.81
Classification Of Other Current Assets:		
(a) Secured, considered good	1.52	1.53
(b) Unsecured, considered good	2,826.63	1,219.28
(c) Doubtful	-	-
Gross Other Current Assets	2,828.14	1,220.81

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 14 - INVENTORIES

(Lower Of Cost And Net Realisable Value)

Amount in Rs. Crores

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Stock of materials at stores	100.96	58.94
(b) Material pending inspection	27.23	13.74
(c) Other Material Accounts	-	14.55
(d) Material stock excess/shortage pending investigation	-	-
(e) Scrap material held for sale	6.76	5.22
(f) Material at site (O&M)	-	-
(g) Material pending inspection (O&M)	-	-
(h) Material at site (Capital)	135.44	134.64
Less: Liability of suppliers for material at site	(135.44)	(134.64)
(i) Materials in transit	-	-
(j) Other Balances	-	-
(k) Sundry Debtors - Trading account	1.97	2.30
Total Inventories	136.92	94.75

(DR. SHAILESH KARDAM)

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

(SANJAY VATSA)

CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 15 - CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2018	Amount in Rs. Crores As at 31.03.2017
Cash and Cash Equivalents		
(a) Balances with banks	384.93	240.38
(b) Cheque, Drafts in hand	-	-
(c) Cash in hand	0.11	0.07
(d) Cash in transit	-	-
(e) Collection suspense account	0.17	0.01
(f) Balances with banks in form of FDR (FDRs having maturity less than 3 months)	576.29	318.10
(g) Other bank balances	-	-
Total Cash And Cash Equivalents	961.50	558.56
Other Bank Balances		
(h) Balances with banks in form of FDR (FDRs having maturity more than 3 months but less than 12 months)	453.18	189.86
Total Cash And Bank Balance	1,414.68	748.41

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

(SANJAY VATSA)
CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 16 - EQUITY SHARE CAPITAL

Particulars	Amount in Rs. Crores	
	As at 31.03.2018	As at 31.03.2017
Authorised Share Capital:		
55,00,00,000 Fully Paid-Up Equity Shares Of Rs. 100 Each (As At 31.03.2017: 55,00,00,000 Fully Paid-Up Equity Shares Of Rs. 100 Each)	5,500.00	5,500.00
Total Authorised Share Capital	5,500.00	5,500.00
Issued And Subscribed Capital Comprises:		
31,59,69,061 Fully Paid-Up Equity Shares Of Rs. 100 Each (As At 31.03.2017: 21,29,84,061 Fully Paid-Up Equity Shares Of Rs. 100 Each)	3,159.69	2,129.84
Total Issued And Subscribed Capital	3,159.69	2,129.84

N-16.1 Fully Paid Equity Shares

	Number of shares	Amount in Rs. Crores
Balance as at 01.04.2016	20,65,38,061	2,065.38
Issue of shares	64,46,000	64.46
Balance as at 31.03.2017	21,29,84,061	2,129.84
Issue of shares	10,29,85,185	1,029.85
Balance as at 31.03.2018	31,59,69,246	3,159.69

16.2 Rights Attached To Equity Shares

The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. During the year ended March 31, 2018 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 31.03.2018		As at 31.03.2017	
	No. of shares held	% of holding of shares	No. of shares held	% of holding of shares
Fully Paid Equity Shares				
(a) MP Power Management Co. Ltd.	31,59,69,246	100.00%	21,29,84,061	100.00%
Total	31,59,69,246	100.00%	21,29,84,061	100.00%

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

(SANJAY VATSA)
CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRAN COMPANY LIMITED, INDORE
ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 17 - OTHER EQUITY

Particulars	Amount in Rs. Crores	
	As at 31.03.2018	As at 31.03.2017
a) General Reserves - Other Reserves (Insurance)	79.22	79.22
b) Share Application Money Pending Allotment	1,969.44	919.59
c) Other Comprehensive Income	-	-
d) Surplus - Profit and loss	(9,501.81)	(9,344.81)
e) Other Balances	0.00	0.00
Total	(7,453.16)	(8,346.01)

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 01.04.2016	79.22	40.07	-	(9,897.70)	-	(9,778.41)	
b) Profit for the year	-	-	-	552.89	-	552.89	
c) Share Application Money Received	-	943.98	-	-	-	943.98	
d) Share Alloted during the year	-	(64.46)	-	-	-	(64.46)	
e) Balance as at 31.03.2017	79.22	919.59	-	(9,344.81)	0.00	(8,346.01)	
f) Profit for the year	-	-	-	(157.00)	-	(157.00)	
g) Share Application Money Received	-	2,079.70	-	-	-	2,079.70	
h) Share Alloted during the year	-	(1,029.85)	-	-	-	(1,029.85)	
i) Balance as at 31.03.2018	79.22	1,969.44	-	(9,501.81)	0.00	(7,453.16)	

Note:

1) During current year, Share Application Money received from GoMP and adjustments of conversion of Perpetual Loan in to Equity Share capital amounting to Rs. 2079.70 Crores (Rs. 943.98 crores for the year ended March 31, 2017) is pending for allotment as on Balance Sheet date which would be issued to the MPPMCL - Number of Shares would be 20,79,70,000 at par of Rs. 100.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 18 - BORROWINGS

Amount in Rs. Crores

Particulars	As at 31.03.2018	As at 31.03.2017
I. Non-Current Borrowings		
A) Unsecured - At Amortised Cost		
a) Term Loan from PFC	-	-
b) Term Loan from REC	300.00	-
c) Term Loan from GoMP	1,182.70	1,146.25
d) Working Capital from GoMP	-	-
B) Secured - At Amortised Cost		
a) Term Loan from PFC	135.86	123.17
b) Term Loan from REC	228.65	52.12
c) Term Loan from GoMP	-	-
C) Perpetual Loan From GoMP		
Amount at the beginning of the year	8,569.44	7,914.62
Add: Amount Received during the year	-	654.82
Less: Amount Paid during the year (See Note)	(1,374.11)	-
Amount at the End of the year	7,195.33	8,569.44
Total Non-Current Borrowings	9,042.55	9,890.98
II. Current Borrowings		
A) Unsecured - At Amortised Cost		
a) Working Capital Loan from PFC	-	-
b) Working Capital Loan from REC	-	-
c) Other - Working Capital Loan	-	-
Total Current Borrowings	-	-

Note:

- 1) During current year, no amount of Electricity Duty & Cess / Sardar Sarovar Liability due to GoMP is converted into Perpetual Loan (Previous year amount of Rs. 654.82 Crs was converted in to Perpetual Loan).
- 2) However, the GoMP has converted Perpetual Loan amounting Rs. 1374.11 Crs in Equity and Grant during the current year under UDAY Scheme (See Note: 34(n)).
- 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 31/03/18	Balance as on 31/03/17	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		
1) SECURED LOAN										
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	86.16	54.76	44.82	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. 86.16 Crs.	-
	RAPDRP Part-B Including SCADA Part-B	135.17	85.11	79.36	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.	
Sub Total-A		295.46	139.87	124.18						
REC	Feeder Separation	708.23	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	90.60	55.92	Prevailing at the time of Disbursement (10% To 11%)	Up to 15/01/2015	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 Krshi Pump Yojna (MMSKPY)	600.00	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.	-
Sub Total - B		1713.67	238.42	55.92						
Total Secured Loans (A+B)		2009.13	378.29	180.10						

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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 31/03/18	Balance as on 31/03/17	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		
2) UNSECURED LOANS										
REC	MTL Loan	150.00	150.00	-	9.15%	12 Months up to 31/03/19	24 Equal monthly installment	Monthly	-	-
	MTL Loan	150.00	150.00	-	9.15%					
	Sub Total - A	300.00	300.00	0.00						
ADB	ADB -2347	235 (Approx)	177.18	185.63	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)	176.38	181.75	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)	208.36	209.12	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)	27.31	27.91	do	Up to 09 Dec 2016	do	do	-	-
	ADB -OLD (Transferred by MPSEB in FOBS)	110.24	45.49	52.16	(9% To 12%)	-	20 Equal Annual Installments	Annually on 15 March or the date of order (Varies order to order)	-	-
	ADB -2820	285 (Approx)	272.28	216.35	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)	170.22	115.09	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	-	-
Term Loan	Term Loan (Plan Fund)	457.88	215.86	256.94	14.50% to 16.50%	-	5 Equal Annual Installments	Annual Installments	-	-
	IPDS Loan	24.15	20.3	19.25	14.50%	-	5 Equal Annual Installments	Annual Installments	-	-
	Sub Total - B	1856.38	1313.38	1264.2						
	Total Unsecured Loans (A+B)	2156.38	1613.38	1264.20						
3) SHORT TERM WORKING CAPITAL LOANS										
PFC	STL Flexi	500	-	-	10.25%	Flexi-pay	Flexi-pay	15th of Every Month	-	-
Total Working Capital Loans		500	-	-					-	
4) PP BOND		-	-	-	13.70% To 17%	-	Overdue for Payment	Overdue for Payment	-	-
	Total	-	-	-						

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 19 - TRADE PAYABLES

A. Non-Current

	Particulars	As at 31.03.2018	Amount in Rs. Crores As at 31.03.2017
(a) Creditors for capital supplies			
- Dues to micro and small enterprises		-	-
- Others		-	-
(b) Creditors for supplies and services			
- Dues to micro and small enterprises		-	-
- Others		-	-
(c) Creditors for accrued wages and salaries		-	-
Total Non-Current Trade Payables		-	-

B. Current

	Particulars	As at 31.03.2018	As at 31.03.2017
(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		475.85	347.57
- Liability for purchase of power		-	-
- Liability for Transmission charges		636.08	619.39
- Other liabilities towards MPPMCL		-	-
- Other liabilities towards MPSEB		-	-
- Others		-	-
(c) Creditors for accrued wages and salaries		43.74	41.85
Total Current Trade Payables		1,155.67	1,008.82

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.
- 2) The Company has not received any information from the "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to the outstanding amounts as at year end together with interest paid/payables as required under the said Act, have not been given.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 20 - OTHER FINANCIAL LIABILITIES

(Classified At Amortised Cost)

A. Non current

Particulars	As at 31.03.2018	As at 31.03.2017	Amount in Rs. Crores
a) Security Deposit From Consumers	1,031.63	914.95	
Total Other Non-Current Financial Liabilities	1,031.63	914.95	

B. Current

Particulars	As at 31.03.2018	As at 31.03.2017	Amount in Rs. Crores
(a) Current Maturity Of Long-Term Loans			
(I) Secured:			
(i) Term Loan from PFC	4.01	1.01	
(ii) Term Loan from REC	9.77	3.80	
(II) Unsecured:			
(i) Term Loan from PFC		-	
(ii) Term Loan from REC		-	
(iii) Term Loan from GoMP	130.67	117.95	
(b) Deposits from suppliers/contractors	48.36	48.69	
(c) Principal Re-payment overdue			
(i) Bonds (SLR)	-	-	
(ii) Debenture (PP Bond)	5.12	5.12	
(iii) Loans from PFC	2.55	1.47	
(iv) On GoMP Loans	205.31	84.74	
(d) Interest accrued but not due on borrowings	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	
(iii) Loans from PFC	11.74	6.83	
(iv) On GoMP Loans	1,183.26	314.50	
(f) Staff related liability including wage revision	87.00	85.15	
(g) Registration charges for New Connection	20.28	13.52	
(h) Other liabilities-MPPTCL	51.13	6.07	
(i) Other miscellaneous liabilities	2.29	2.04	
Total Other Current Financial Liabilities	1,859.80	791.40	

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 21 - PROVISIONS

A. Non current

Amount in Rs. Crores

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Provision for Employee benefits		
(i) Retirement benefits obligations		
- Pension obligation	792.03	1,069.69
- Retirement Gratuity	162.91	217.89
(ii) Other long-term employee benefits		
- Leave Encashment	3.11	3.17
- Arrear due to 7th Pay Revision	73.38	-
Total Non Current Provisions	1,031.43	1,290.75

B. Current

Amount in Rs. Crores

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Provision for Employee benefits		
(i) Retirement benefits obligations		
- Pension obligation	377.64	-
- Retirement Gratuity	70.60	-
(ii) Other long-term employee benefits		
- Leave Encashment		
- Arrear due to 7th Pay Revision	51.48	
Total Current Provisions	499.72	-

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, 2009.
- 2) The Company has appointed an Actuarial firm for conducting Actuarial Valuation of post employment benefits. The same is under process.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 22 - DEFERRED INCOME

Particulars	As at 31.03.2018	Amount in Rs. Crores As at 31.03.2017
(a) Supply Affording And Other Charges		
Amount at the beginning of the year	(0.00)	-
Add: Amount received during the year	40.55	28.04
Less: Transferred to Deferred Income -CC /Grant	(40.55)	(28.04)
Amount At The End Of The Year	-	(0.00)
(b) Grants Towards Cost Of Capital Assets		
Amount at the beginning of the year	-	706.63
Add: Amount received during year (See note 41(n))	-	174.77
Less: Transferred to Deferred Income -CC /Grant	-	(881.42)
Amount At The End Of The Year	-	-
(c) Grants For Electrification under various schemes i.e. RGGVY, Etc.		
Amount at the beginning of the year	123.06	93.74
Add: Amount received during the year	396.29	125.08
Less: Transferred to Deferred Income -CC /Grant	(307.91)	(95.77)
Amount At The End Of The Year	211.44	123.06
(d) Deferred Income-Consumer Contribution/Grant		
Amount at the beginning of the year	1,508.77	609.38
Add: Amount received / adjusted during the year	366.07	1,027.59
Less: Transferred to P&L	(127.09)	(128.20)
Amount At The End Of The Year	1,747.75	1,508.77
Total Non Current Deferred Income	1,959.18	1,631.83

Particulars	As at 31.03.2018	Amount in Rs. Crores As at 31.03.2017
(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	-	-
Total Current Deferred Income	-	-

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:2.08).

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 23 - OTHER LIABILITIES

A. Non-current

Particulars	As at 31.03.2018	As at 31.03.2017	Amount in Rs. Crores
(a) Deposit Against Services	124.83	106.70	
(b) Electrification Charges/ Consumer Contribution			
Amount at the beginning of the year	225.38	163.98	
Add: Amount received during the year	80.61	83.77	
Less: Transferred to Deferred Income -CC /Grant	(17.61)	(22.36)	
Amount at the end of the year	288.38	225.38	
Total Other Non-Current Liabilities (a+b)	413.21	332.08	

B. Current

Particulars	As at 31.03.2018	As at 31.03.2017	Amount in Rs. Crores
(i) Liability related to various taxes	7.26	2.23	
(ii) ED / Cess Payable to Government	84.64	39.68	
(iii) Diff. due to Final Op. Balance Sheet (See Note: 41(a))	69.94	69.94	
(iv) Subsidy Received in Advance from GoMP	11.85	13.77	
(v) Other income received in advance	1.09	1.03	
(vii) Other current liabilities	29.72	27.51	
Total Other Current Liabilities	204.50	154.16	

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 24 - REVENUE FROM OPERATIONS

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
I. REVENUE FROM SALE OF PRODUCT		
(a) Revenue From Sale Of Power		
(i) Domestic light and fan	2,309.29	2,113.27
(ii) Commercial light and fan	884.02	782.54
(iii) Industrial medium and low voltage	437.99	405.01
(iv) Industrial power: High Tension	2,667.18	2,289.56
(v) Public lighting	103.08	98.49
(vi) Irrigation and Agricultural Dewatering	618.56	601.11
(vii) Public water works & Sewerage Pumping	401.90	341.24
(viii) Supplies in bulk	40.21	20.49
(ix) Railway Traction,	-	0.02
(x) Other Revenue from consumers	57.66	66.27
(xi) Other Revenue	-	-
Sub Total (a)	7,519.88	6,718.01
(b) Revenue Subsidy From GoMP		
(i) Income from Subsidy against free supply	1,782.97	1,532.78
(ii) Income from Tariff Subsidy	2,535.00	2,191.81
Sub Total (b)	4,317.97	3,724.58
Total (a+b)	11,837.85	10,442.59
ADD:		
(c) Electricity Duty Recovery		
(i) Electricity Duty Recovery	516.88	485.54
(ii) Other state levies recovery	-	-
Total (c)	12,354.74	10,928.13
LESS:		
(d) Electricity Duty Payable		
(i) Electricity duty Payable (Contra)	516.88	485.54
(ii) Other state levies Payable (Contra)	-	-
Total Revenue From Sale of Product (a+b+c-d)	11,837.85	10,442.59
II. REVENUE FROM SALE OF SERVICES		
(i) Metering charges	64.40	61.72
(ii) Wheeling/ U.I. Charges recovery	7.65	3.12
(iii) Supervision charges	18.47	14.46
Total	90.53	79.31
Total Revenue From Operations (a+b+c)	11,928.38	10,521.90

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 25 - OTHER INCOME

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
(a) Interest Income		
(i) Interest on staff loans and advances	0.19	0.28
(ii) Interest on FDR in Banks	29.71	30.32
(iii) Interest on advances to suppliers/contractors	-	0.00
(iv) Interest from banks (Other than fixed deposit)	0.00	0.00
(v) Other Income	(0.02)	0.35
Total- (a)	29.88	30.95
(b) Other Non-Operating Income		
(i) Income from trading (Other than power)	2.27	6.18
(ii) Income from staff welfare activities	0.10	0.00
(iii) Amount written off by MP TRANSCO	180.48	190.77
(iv) Other Income	-	-
Total- (b)	182.85	196.96
(c) Other Non-Operating Revenue		
(i) Miscellaneous receipts	11.88	13.10
(ii) Profit on Sale of Scrap	9.66	6.38
(iii) Delayed Payment Charges from consumers	206.68	160.81
(iv) Amortisation of Consumer Contribution & Govt. Grant	127.09	128.20
Total- (c)	355.31	308.49
Total Other Income (a+b+c)	568.04	536.40

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 26 - POWER PURCHASE AND TRANSMISSION CHARGES

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
A. Power Purchase		
(i) Power Purchase from MPPMCL, Jabalpur	8,985.38	8,602.98
B. Transmission Charges		
(i) Transmission charges to MPPTCL, Jabalpur	1,033.83	1,149.59
Total	10,019.21	9,752.57

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 27 - EMPLOYEE BENEFIT EXPENSE

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
(a) Salaries And Wages, Including Bonus	864.09	712.76
(b) Staff Welfare Expenses	0.60	0.58
(c) Terminal Benefits	139.30	131.12
(d) Earned Leave Encashment	38.19	38.77
(e) Other Employee Related Expense	4.56	8.31
Gross Total	1,046.74	891.53
Less: Employee Cost Capitalised	(24.53)	(26.72)
Total Employee Benefit Expense-Net	1,022.21	864.81

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

NOTE: 28 - FINANCE COSTS

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
(a) Interest cost on Loans		
(i) REC Loans	8.96	71.63
(ii) PFC Loans	12.51	16.74
(iii) Bonds (SLR)	-	-
(iv) Debenture (PP)	-	19.87
(b) Interest on state government loans	852.93	99.80
(c) Penal Interest in respect of capital liabilities	4.42	4.75
(d) Interest to consumers	63.59	62.99
(e) Interest on borrowings for working capital	28.16	147.40
(f) Other interest & Finance charges	-	-
(g) Discount to consumers for timely payment of bills	3.08	0.55
(h) Interest to suppliers/contractors	-	-
(i) Interest on fixed deposits	-	-
(j) Interest on contributory provident fund	-	-
(k) Interest on General provident fund	-	-
(l) Interest on security deposit from staff	-	-
(m) Other interest	-	-
(n) Cost of raising finance	0.12	0.00
(o) Other charges	7.19	14.29
(p) Interest on sums paid by GoMP under guarantees	-	-
Gross Total	980.96	438.03
Less: Rebate in interest on timely payment	(0.46)	(1.88)
Less: Interest & Finance expense capitalised	(33.34)	(57.75)
Total Finance Costs - NET	947.15	378.39

(DR. SHAILESH KARDAM)

DY. DIRECTOR (ACCOUNT, TAX & TARIFF)

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 29 - DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
a) Depreciation of Plant, Property and Equipment	251.27	229.76
b) Amortisation of Intangible Assets	5.76	4.80
c) Small and low value written off	0.00	0.00
Total Depreciation And Amortisation	257.03	234.57

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 30 - OTHER EXPENSES

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
(a) Repairs And Maintenance Expenses		
(i) Building	9.13	11.37
(ii) Plant and machinery	98.13	128.97
(iii) Lines cables and network assets	3.70	5.79
(iv) Station supplies and distribution and transmission	-	-
(v) Vehicle	0.70	1.27
(vi) Furniture and fixtures	0.15	0.15
(vii) Hydraulic works	-	-
(viii) Office equipments	0.34	0.52
(ix) Other civil works	0.84	0.85
Less: Repair and Maintenance charges Capitalised	(0.46)	(1.04)
Total Repairs And Maintenance Expenses- NET	112.53	147.89
(b) Administrative And General Expenses		
i. Rent	0.36	0.48
ii. Rates & Taxes	10.71	11.66
iii. Entry tax	3.52	2.22
iv. Commercial tax	-	-
v. Professional tax	0.00	0.00
vi. Insurance	0.01	0.03
vii. Communication expenses	9.29	7.39
viii. Legal charges	1.84	2.18
ix. Audit fees	0.50	0.55
x. Consultancy charges	1.66	3.18
xi. Technical fees	0.18	0.11
xii. Other professional charges	1.35	9.46
xiii. Conveyance & travel expenses	24.48	23.95
xiv. Servicing and contract work	18.80	30.29
xv. Electricity charges	31.71	18.22
xvi. Freight	0.49	0.34
xvii. Other expenses	26.33	21.86
Less: Administrative general expenses capitalised	(7.12)	(10.55)
Total Administrative And General Expenses- NET	124.11	121.37

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 30 - OTHER EXPENSES

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
(c) Miscellaneous Expenses		
i. Bad and doubtful debts written-off	237.00	158.51
ii. Provision for bad and doubtful debts - Net	122.05	93.14
iii. Sundry Expenses	0.29	0.51
iv. Loss on Sale of Scrap	-	-
v. Other miscellaneous expenses/Losses written off	0.24	0.36
Total Miscellaneous Expenses	359.58	252.52
(d) Other Expenses		
	0.00	0.00
Total Other Expenses (a+b+c+d)	596.22	521.78

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 31 - EXCEPTIONAL ITEMS

Particulars	Amount in Rs. Crores	
	Year ended 31.03.2018	Year ended 31.03.2017
a) Revenue Grant Under UDAY Scheme (see Note 41(n))	(188.40)	(1,246.71)
Total Exceptional Item	(188.40)	(1,246.71)

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NOTES TO THE FINANCIAL STATEMENTS

NOTE: 32 - EARNINGS PER SHARE

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	(Rs. Per Share)	(Rs. Per Share)
a) Basic Earnings Per Share	(5.79)	26.14
b) Basic And Diluted Earnings Per Share	(5.68)	25.75

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:-

Particulars	Year ended 31.03.2018 (In Crores)	Year ended 31.03.2017 (In Crores)
a) Earnings used in the calculation of Basic and diluted EPS	(157.00)	552.89
b) Weighted Average Number Of Outstanding Equity Shares	27.13	21.15
c) Basic and Diluted Earning Per Share	(5.79)	26.14

32.(2) DILUTED EARNINGS PER SHARE

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

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
a) Earnings used in the calculation of Basic EPS	(157.00)	552.89
b) Weighted Average Number Of Outstanding Equity Shares	27.66	21.47
c) Diluted Earning Per Share	(5.68)	25.75

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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 31.03.2018	As at 31.03.2017
Financial assets		
(i) Mandatorily measured at fair value through profit and loss		
(a) Investments	-	-
(ii) Measured at amortised cost		
(a) Cash and bank balances	1,414.68	748.41
(b) Loans	0.01	0.02
(c) Trade receivables	1,832.42	1,821.65
(d) Other financial assets	317.41	284.85
(iii) Financial assets carried at cost		
Sub-Total	3,564.51	2,854.93
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	9,042.55	9,890.98
(b) Trade payables	1,155.67	1,008.82
(c) Other financial liabilities	2,891.43	1,706.35
Sub-Total	13,089.65	12,606.15

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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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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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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
March 31, 2018							
Non-interest bearing							
a) Trade receivables	1,013.61	249.40	569.41	-	-	1,832.42	1,832.42
b) Loans	-	-	0.01	-	-	0.01	0.01
c) Other financial assets	280.80	3.65	26.18	6.78	-	317.41	317.41
March 31, 2017							
Non-interest bearing							
a) Trade receivables	922.65	243.09	655.91	-	-	1,821.65	1,821.65
b) Loans			0.01	0.01	-	0.02	0.02
c) Other financial assets	211.22	54.64	18.77	0.22	-	284.85	284.85

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NOTES TO THE FINANCIAL STATEMENTS

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

Amount in Rs. Crores

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total	Carrying Amount
March 31, 2018							
a) Borrowings	-	-	-	799.11	8,243.43	9,042.54	9,042.54
b) Trade payables	232.48	681.18	238.01	-	-	1,151.67	1,155.67
c) Other financial liabilities	1,408.68	28.56	323.07	99.49	1,031.63	2,891.43	2,891.43
March 31, 2017							
a) Borrowings	-	-		491.18	9,399.80	9,890.98	9,890.98
b) Trade payables	180.88	607.36	220.58	-	-	1,008.82	1,008.82
c) Other financial liabilities	521.45	101.09	168.86	-	914.95	1,706.35	1,706.35

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NOTES TO THE FINANCIAL STATEMENTS

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 hold quoted securities. It is not exposed to price risk.

NOTE: 34. FAIR VALUE MEASUREMENTS

NOTE: 34.1 Fair Value of Compaines financial asset that are measured at Fair Value on a Recurring 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 approximates the fair value.

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NOTES TO THE FINANCIAL STATEMENTS

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 Akash Tripathi, IAS, Managing Director
- ii) Shri Manoj Jhawar, Director (Commercial)
- iii) Dr. M.S. Kele, Director (Technical)
- iv) Shri Sanjay Vatsa, Chief Financial Officer, KMP

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 31.03.2018	Year ended 31.03.2017
Remuneration to Director & KMP		
i) Salary / Remuneration	0.93	0.88
ii) Other Expenses & Perquisites	0.06	0.04
Total	0.99	0.91

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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 repective years are as tabulated below:

Related party	Nature of transaction	Amounts owed by/owed to Related parties as at	
		As at 31.03.2018	As at 31.03.2017
i) M.P. Poorv Kshetra V.V. Co. Ltd , Jabalpur	288610	5.58	5.58
ii) M.P. Madhya Kshetra V.V. Co. Ltd , Bhopal	288620	1.16	1.16
iii) MP Power Management Co. Ltd., Jabalpur	See Table	2,792.55	1,114.70
iv) MP Power Transmission Co. Ltd., Jabalpur	See Table	(687.21)	(625.47)
v) MP Power Generation Co. Ltd., Jabalpur	288640	0.13	0.11

*(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 31.03.2018	As at 31.03.2017
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 31.03.2018	As at 31.03.2017
i) M.P. Poorv Kshetra V.V. Co. Ltd , Jabalpur	-	-
ii) M.P. Madhya Kshetra V.V. Co. Ltd , Bhopal	-	-
iii) MP Power Management Co. Ltd., Jabalpur	701400	8,985.38
iv) MP Power Transmission Co. Ltd., Jabalpur	701450	1,033.83
v) MP Power Generation Co. Ltd., Jabalpur	-	-

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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 (after wave off by MP TRANSCO) is Rs. 114.68 Crs only (Previous year Rs. 85.34 Crs.)

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 reasoably 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.

NOTE: 36.(2) Contingent Assets

- 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.

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NOTES TO THE FINANCIAL STATEMENTS

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					
Total	-	-	-	-	-	-	-	-

(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					
Total	-	-	-	-	-	-	-	-

(DR. SHAILESH KARDAM)
DY. DIRECTOR (ACCOUNT, TAX & TARIFF)

(SANJAY VATSA)
CHIEF FINANCIAL OFFICER



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

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 31.03.2018
A	Input Energy (MKwh)	Energy Generated-Auxiliary Consumption + Energy Purchased (Gross)*-Energy traded/Inter-state sales.	23,573.97
B	Transmission Losses (MKwh)		1,250.01
C	Net input Energy at Discom Periphery	A-B	22,323.96
D	Energy Sold (MKwh)	Energy sold to all categories of consumers excluding units of Energy Traded/ Inter-state sales.	18621.22
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.	12,625.82
F	Adjusted Revenue from sale of Energy on Subsidy received basis (Rs.Cr)	Revenue from sale of Energy (same as E above) minus Subsidy Booked plus Subsidy received against subsidy booked during the year.	12,696.16
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.	2,901.29
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.	3,026.38
		II) Any Amount written off during the year directly from (i)	237.00
I	Adjusted Closing Debtors for sale of Energy (Rs.Cr)	H (I+II)	3,263.38
J	Collection Efficiency (%)	(F+G-I)/E*100	97.69%
K	Units realized (MKwh) = [Energy sold*Collection efficiency]	D*J/100	18,190.92
L	Units unrealized (MKwh) = [Net input Energy – Units Realized]	C-K	4,133.04
M	AT &C Losses (%) = [{Units Unrealized/Net input Energy}*100]	L/C*100	18.51%

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NOTES TO THE FINANCIAL STATEMENTS

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

B) DETAILS OF SUBSIDY BOOKED AND RECEIVED

S.No	Particulars	Amount (In Rs. Crs)
1	Subsidy Booked during the year	4,317.97
2	Subsidy received during the year (Rs.Cr)	4,388.31
a)	Subsidy received against subsidy booked for current year (Rs.Cr)	4,284.32
b)	Subsidy received against subsidy booked for Previous year (Rs.Cr)	103.98

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ANNUAL FINANCIAL STATEMENTS- FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

NOTE: 39 - COMMITMENTS

Particulars		As at 31.03.2018	As at 31.03.2017
a)	Estimated Amount Of Contracts Remaining To Be Executed On Capital Account And Not Provided For The Following Capital Schemes		
i)	ADB/ERP	Nil	5.18
ii)	ADB/PPR	61.25	129.89
iii)	DDUGJY	601.99	895.71
iv)	IPDS	362.06	383.86
v)	DEPOSIT WORK	10.40	0.81
vi)	FSP	74.31	251.17
vii)	MDAS	5.97	6.11
viii)	R-APDRP	48.46	119.67
ix)	RGGVY	39.94	108.74
x)	SCADA	33.74	10.44
xi)	SSTD	38.45	117.56
Total		1276.57	2029.14

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED ANNUAL FINANCIAL STATEMENTS-FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

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

The financial statements have been prepared in accordance with IND-ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 & 16 except IND AS 10: Event after the Reporting Period & IND-AS:19: Employee Benefits .

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

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 Company has adopted all the issued IND-AS and such adoption was carried out in accordance with IND-AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transited from Indian GAAP which is its previous GAAP as at April 01, 2015, as defined in IND-AS 101.

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NOTES TO THE FINANCIAL STATEMENTS

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 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.

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NOTES TO THE FINANCIAL STATEMENTS

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 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.

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 01/04/2010 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.

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NOTES TO THE FINANCIAL STATEMENTS

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, 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.

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.

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED ANNUAL FINANCIAL STATEMENTS-FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

2.08: Assets Transferred From Customers

In accordance with Appendix C-'Transfer of Asset from Customers' to Ind AS-18 Revenue Recognition, assets transferred from customers are recognized at their fair value when they meet the definition of an asset and all attached conditions are complied with.

Assets received from 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.

Amount received from the customer towards construction of a property, plant and equipment are included in non-current liabilities as consumer's contribution towards capital assets and are credited to Statement of Profit or Loss on a systematic basis over the expected lives of the related assets and presented within other income.

2.09: 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.

2.10: 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.

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED ANNUAL FINANCIAL STATEMENTS-FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

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.

2.11: 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.

2.12: 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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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED ANNUAL FINANCIAL STATEMENTS-FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

2.13: 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.

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 Crs 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.

2.14: 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.

2.15: 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.

2.16: Income Taxes

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

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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.

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.

2.17: Employee Benefits

2.17.1: Defined Benefit Plans

The liability to pay defined benefits to the personnel who retired from the service of the board on or before 31st 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 31st May, 2005 is vested with respective transferee Company.

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Further, the contribution towards the pension and other terminal benefits for the past service rendered by the personnel up to 31st 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, 2015 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 when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.18.2: 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.

2.18.3: 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.

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED ANNUAL FINANCIAL STATEMENTS-FY 2017-18

NOTES TO THE FINANCIAL STATEMENTS

2.19: 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 (OCI)

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

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

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 Liabilities And 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.

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.

De-recognition Of Financial Liabilities

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

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

(SANJAY VATSA)
CHIEF FINANCIAL OFFICER



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED
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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.

2.20: Revenue Recognition

Revenue is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue is measured at the fair value of the consideration received or receivable net of trade discount and volume rebates.

The revenue from sale of power is accounted for on accrual basis. At the year end, the provisions are made if no bills are issued or raised till date of closing of the respective financial year.

Income such as supervision charges are recorded as Revenue on rendering of Services.

Revenue income is recognized 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 recognized based on the applicable available orders and regulations of Regulatory Authorities.

Sale of electricity does not include Electricity Duty as the same is not the income of the company. Electricity Duty payable to Government of Madhya Pradesh is accounted for on the amount of Electricity Duty collected during the year.

Revenue from other works in the nature of Consultancy/Contract Services is accounted for on the basis of actual progress/technical assessment of work executed.

Receipts for liquidated damage & warranty claims are accounted for when it is ascertained and the collection of the amount is confirmed.

Delayed payment surcharge is recognised as income on accrual basis till the time of permanent disconnection of consumers.

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

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The property, plant and equipment created by the Beneficiaries have been capitalized after obtaining the ownership along with the control with matching credit to Deferred Revenue. This deferred revenue account will be debited and Revenue will be recognized over the useful life of the asset.

Sale of scrap are accounted for when sale take place. Rebate allowed to Distribution Companies on realization of bills are accounted for when it is ascertained and confirmed.

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

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.

2.21: 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.

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

2.22: 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).

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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.

2.23: 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: 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:

Ind AS 115 - Revenue from Contracts with Customers

In March, 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable to the Company for accounting periods beginning on or after 1st April, 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is evaluating the requirements of the standard and its impact on its financial statements.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any material impact on the Company.

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED ANNUAL FINANCIAL STATEMENTS-FY 2017-18

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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.

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.

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IV) Service Concession Arrangements

The Company has assessed applicability of Appendix A of IND-AS-11 Service Concession Arrangements with respect to its distribution assets portfolio. In assessing the applicability, the Company have exercised judgment in relation to the provisions of the Electricity Act, 2003, distribution license and / or agreements etc. Based on such assessment, it has concluded that Appendix A of IND-AS 11 is not applicable.

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) 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).

V) 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:

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- 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.

41: OTHER NOTES ON FINANCIAL STATEMENTS FOR YEAR ENDING 31ST MARCH, 18

- A. GoMP vide notification no. 292 dated 12th June, 2008 advised final opening balances belonging to Company which were accounted for the first time in the financial statements for FY 2008-09. 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 / MPPMC. The cumulative balance of such items amounting to Rs. 69.94Crs[Cr] (Previous year Rs. 69.92Crs [Cr]) are mentioned in Account Code 469470 and shown under the head "Other Current Liabilities".
- B. 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.
- C. The Company's share of interest on loan taken by MPSEB/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.
- D. Depreciation on addition/deletion of assets during the year is provided on prorate basis.
- E. Opening balances as transferred to the Company vide GoMP notification no. 292 dated 12th 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.

F. **Remuneration to Auditors**

The remunerations paid to/provided for various Auditors of Company during the year are as below:

S. No.	Particulars	FY 2017-18	FY 2016-17
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. 0.0260 Crs	Rs. 0.0099 Crs

**(Excluding applicable Taxes & Reimbursement of Out of Pocket Expenses, if any)

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED
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- G. 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.
- H. 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. 149.04 Crs (approx.) as on March, 18. As per Management the difference will not have any material impact on the financial statement.
- I. 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.
- J. The Company has identifying non-moving and obsolete stock & spares & value the same on Cost or NRV whichever is less.
- K. 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. 3.80Crs) 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, however as on the balance sheet date it is not operative. Transactions related with franchisee are properly accounted for in books of accounts of the Company.
- L. 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.
- M. During the year, MP Power Transmission Company Limited, Jabalpur has written off the amount of Rs. 180.48 Crs (Previous year Rs. 190.77 Crs) from outstanding payable towards Transmission charges to them. The same has been classified under Other Non-Operating Income.

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N. Ujwal Discom Assurance Yojana (UDAY)

- i. UDAY has been launched for Operational and financial turnaround of Power Distribution Companies by Government of India, Ministry of Power on 20th 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 10th August, 2016.
- ii. 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.
- iii. During the year, the GoMP has converted Perpetual Loan/debt amount of Rs.1374.11 Crores in Equity and Grant. Out of which Rs.188.40 Crores were revenue in nature and have been credited to revenue grant, classified as 'Exceptional Item' in the statement of profit & loss. The remaining debts amounting to Rs. 1185.71 Crore have been converted in to Equity Share Application money which is pending for allotment as on the Balance Sheet date.
- iv. The proposal for granting extension of moratorium period on Perpetual Loan is under consideration before Government of MP. If the proposal is accepted interest charged to Statement of Profit & Loss will be lower by Rs. 764.58 Crs for the period ending on 31st March, 2018. Since, the final decision is still awaited, interest has been accounted for without giving effect to the said proposal.

O. Capital Spares

- i. 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.
 - ii. 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.
 - iii. 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.
- P. Interest of Rs. 33.34 Crs has been capitalized at the rate of 5.77% and shown as part of the cost of capital assets during the year (Refer note-28).

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MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED
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- Q. 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.
- R. 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. While Computing the ECL model effect of impairment on provision for Unbilled revenue has also been taken into account.

S. Events after the Reporting Period:

- On 05th June, 2018, Government of Madhya Pradesh had taken a decision and notified a scheme - Mukhya Mantri Bakaya Bill Mafi Yojna (Samadhan) for the poor people living within the state. Under the scheme, the outstanding arrears of the electricity bills as on 30th June, 2018 will be waived off for the registered labour and below poverty line (BPL) consumers.
- As per the scheme, 100% of the total amount of surcharge and 50% of the energy charges will be borne by the Company. The remaining 50% of the energy charges will be given by the State Government in the form of subsidy in three years starting from FY 2018-19 till FY 2020-21.
- As per Ind AS 10 "Events after the Reporting Period" the above is a non-adjusting event as the scheme was declared after the reporting date i.e. 31st March, 2018 and there were no evidence of conditions of the scheme being existed at the end of reporting date. Further, the scheme is applicable from July, 2018 (Billed in August, 2018). Therefore, Company shall not be required to make any adjustment relating to this scheme in its financial statements for the reporting date i.e., 31st March, 2018.
- As a result of implementation of the above scheme out of Total Sundry Debtor of Rs.3026.38 Crore as at 31st March, 2018, Sundry Debtor Amounting to Rs.266.02 Crore will not be receivable. The effect is as under:

Particulars	Amount in Crores
Total Sundry Debtors outstanding as on 31 st March, 2018 which are considered under the above scheme.	532.04
<u>Less:</u> Amount to be recovered from the MP State Government as subsidy over 3 years.	266.02
<u>Less:</u> Provision Made	170.66
Balance Amount non recoverable and not provided for.	95.36

- The recoveries from the above customers during the period from 1st April, 2018 to July, 2018 have not been ascertained, recoveries any will reduce the amount not recoverable.

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- T. Interest on Consumer Security Deposits has been paid at the rate of 6.75% per annum during the year.
- U. Expenditure in Foreign Currency during the year - NIL. (Previous year - NIL)
- V. 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.
- W. C.I.F. value of imports - NIL. (Previous year – NIL)
- X. Earning in Foreign exchange - NIL. (Previous year – NIL)
- Y. Sitting fees paid to Directors – NIL. (Previous year – NIL)

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
PLACE: INDORE
DATE: 21 December, 2018

(AKASH TRIPATHI)
MANAGING DIRECTOR

(A. KULKARNI)
COMPANY SECRETARY

(SANJAY VATSA)
CHIEF FINANCIAL OFFICER

(M.K. JHAWAR)
DIRECTOR (COMMERCIAL)



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

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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

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 31st March 2018, the Statement of Profit & Loss (including other comprehensive income), and 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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Basis for Qualified Opinion

- i. Non provision of Rs.95.36 crores arising out of the scheme notified by Government of M.P. in July, 2018 which had been considered as non adjusting event as per Ind AS-10 "Refer Note 41(y) of notes to the financial statements". In our opinion the non recovery of amount of Rs.95.36 crores is an adjusting event, since the probability for non-recovery of Trade Receivable existed on Balance Sheet date and which has been confirmed on launch of the scheme in July, 2018.
- ii. The Company has not carried out actuarial valuation for ascertaining its liability towards employee benefits in respect of Gratuity and Leave encashment. This is not in accordance with the requirement of Indian Accounting Standard (Ind AS) - 19 "Employee Benefits", Also, the required disclosures have not been made.
- iii. 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. 149.04 crores, the Sundry Debtors for Sale of Power shown in the Financial Statements being short to this extent.

Qualified Opinion

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 paragraph, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss including other comprehensive income, its cash flows and the statements changes in equity for the year ended on that date.



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 41 of the company. Our opinion is not qualified in respect of the following matters:-

- Note 41(A) 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 41(E) 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 41(R) regarding non identification of exact cost and year of acquisition of meters due to large number of such items.

Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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) No branch office of the company has been audited by any person other than us under sub section (8) of section 143 of the act and accordingly the provisions of clause (c) of sub section (3) of section 143 of the Act are not applicable.
 - (d) 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;
 - (e) 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 thereunder; except for the effects of the matter described in the Basis for Qualified Opinion paragraph, Emphasis of Matter paragraph as above in so far as it relates to:
 - Ind AS-10: Events after the Reporting Period
 - Ind AS-19: Employee Benefits



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

- (f) We have not come across any financial transactions or matters, other than those already reported, which have any adverse effect on the functioning of the company.
- (g) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company.
- (h) 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
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. 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 35 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 (CA. Sudhir Joshi)
Date : 21.12.2018 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, 2018**

- (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) (a) 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.
- (b) 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 account.
- (iii) 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) According to the information and explanations given to us, the company has not accepted any deposits under sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and 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 31st March 2018 for a period of more than six months from the date they became payable.
- (b) There are no disputed dues on account of Custom Duty/Wealth Tax/Cess, Sales Tax/Income Tax/ Excise Duty/Service Tax/Goods and Service Tax that have not been deposited.
- (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;

S.N.	Particulars	Default Since	Principal Overdue	Interest accrued
			Amount in Rs. Crores	
1.	Debenture (PP Bond)	Since the date of Incorporation	5.12	0.70
2.	Loan from Power Financial Corporation	01.06.2016	1.47	6.83
		31.03.2018	1.08	4.91
3	Loan from GoMP	31.03.2018	120.57	103.72
		FY 2016-17	84.74	283.34
Total			212.98	399.50

- (ix) Paragraph 3 (ix) of the Order is not applicable to the Company in respect of initial public offer or further public offer.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under audit.
- (xi) According to the information and explanations given 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

Place: Indore

Date: 21.12.2018

(CA. Sudhir Joshi)

Partner

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 31st March, 2018 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

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 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.



MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN COMPANY LIMITED

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

- (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, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company.

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, 2018 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

Place: Indore
Date: 21.12.2018

(CA. Sudhir Joshi)
Partner
M No. 012368