

MSEDCL				
Statement showing the deposit with Court Authority against charges for uses Assets by MSEDCL				
Year	Payment made to			(Amt. in Rs.)
	MPECS	MERC	MERC	Remark
FY 2015-16	62,64,24,657			Earlier deposited with MERC transferred to Mula Pravara as per aptel order dt.06.05.2016 &
FY 2016-17	11,00,00,000	3,60,19,00,000	31,01,00,000	Payment Due frpm Feb-2011 to Apr-2016 deposited with MERC
FY 2017-18	12,00,00,000	-	34,46,00,000	46,46,00,000
FY 2018-19	12,00,00,000	-	31,43,00,000	43,43,00,000
FY 2019-20	12,00,00,000	-	28,42,00,000	40,42,00,000
FY 2020-21	12,00,00,000	-	25,41,00,000	37,41,00,000
FY 2021-22	12,00,00,000	-	22,40,00,000	34,40,00,000
FY 2022-23	12,00,00,000	-	19,39,00,000	31,39,00,000
FY 2023-24	12,00,00,000	-	16,38,00,000	28,38,00,000
FY 2024-25 (UPTO OCT-24)	8,00,00,000	-	9,25,00,000	
TOTAL	1,65,64,24,657	3,60,19,00,000	2,18,15,00,000	

PARTICULARS	AMOUNT IN RS	PAID TILL OCT-24 (IN CRS)	REMAINING PAYMENT	TOTAL PAYABLE (IN CRS)
PAYMENT TO MPECS	1,65,64,24,657	165.64	3.00	168.64
PAYMENT TO MERC	5,78,34,00,000	578.34	3.12	581.46
TOTAL	7,41,90,24,657	743.98	6.12	750.10

Note -

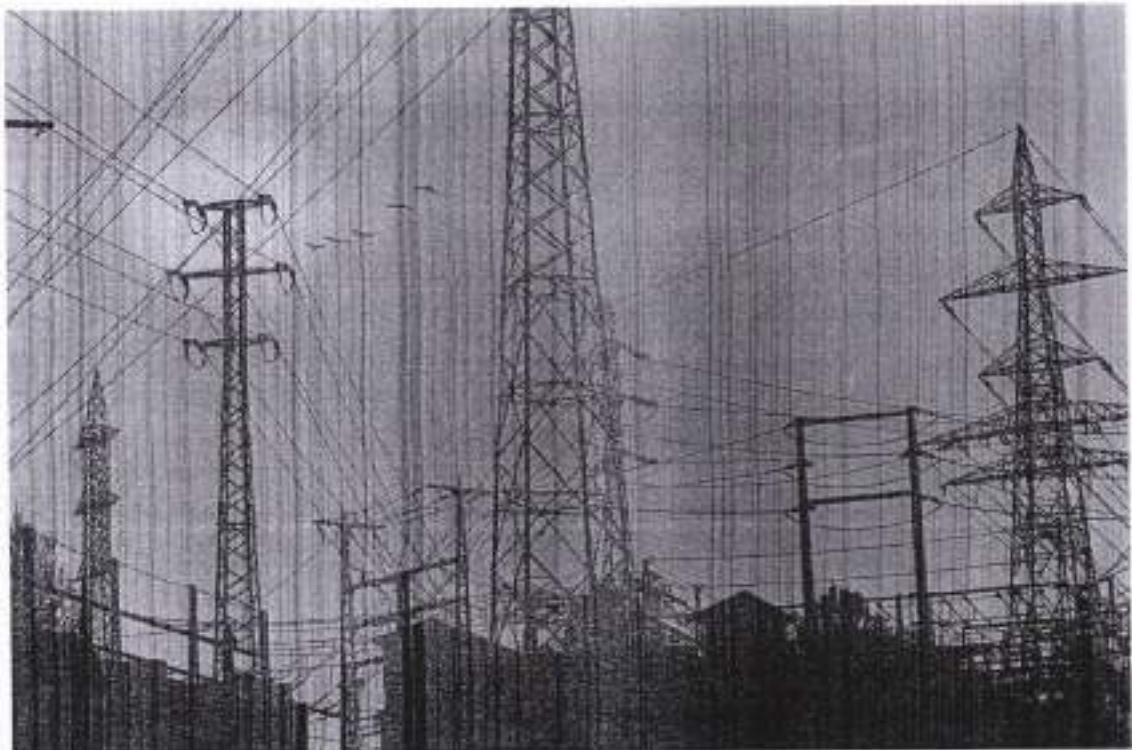
Above Payments shown against each financial year are taken as per Payment date and not on the basis of month for which it belongs.


MAHA VITARAN
Maharashtra State Electricity Distribution Co. Ltd.

(A Govt. Of Maharashtra Undertaking)

CIN : U40109MH2005SGC153645

**MAHARASHTRA STATE
ELECTRICITY DISTRIBUTION CO.
LTD.**



**ANNUAL ACCOUNTS
FINANCIAL YEAR 2023-24**

NOTE NO. 39
ADDITIONAL NOTES TO ACCOUNTS

1. Contingent Liabilities, Contingent Assets and Commitments :

(₹ in Lakhs)

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
I.	Contingent Liabilities		
(a)	Claims against MSEDCL not acknowledged as debts-		
	(i) Datar Switchgear Ltd. (refer para i below)	91,037	86,300
	(ii) Asian Electronics Ltd. (refer para ii below)	15,712	15,712
	(iii) Power Purchase (refer para iii below)	35,68,841	30,60,303
	(iv) MIDC Interest free Loan (refer para iv below)	6,940	6,940
	(v) Mula-Pravara Electric Co-op. Society Ltd. (refer para v below)	56,909	55,271
	(vi) Project and Special Project (refer para vi below)	2,33,369	*.
	(vii) Others (refer para vii below)	1,30,698	1,17,854
	Total of (a)	41,03,506	33,42,380
(b)	Disputed Duties / Tax Demands		
	(i) Income Tax	1,77,724	4,51,596
	(ii) TDS	1,497	971
	(iii) Excise Duty	8	8
	(iv) MVAT	5,56,522	5,55,260
	(v) Service Tax	43,923	44,951
	Total of (b)	7,79,674	10,52,786
	Total of (a+b)	48,83,180	43,95,166
II.	Contingent Assets (Refer para II below)	1,82,429	1,67,839
III.	Other Commitments	11,47,400	7,24,800
IV.	Capital Commitments (net of advances given)	6,79,931	52,064

*The amounts related to project as on 31st March 2023 is not ascertainable, hence not disclosed.

I. Contingent Liabilities include :-
(i) Datar Switchgear Limited:

In an earlier year, erstwhile Maharashtra State Electricity Board (MSEB) had entered into a contract with Datar Switchgears Ltd. (DSL) for supply, erection, commissioning and maintenance of load management system panels on operating lease basis. After part execution of the contract, DSL has filed the suit for damages of panels & cost of possession before Bombay High Court (BHC), Mumbai. The matter is pending before BHC. The claim amount is ₹ 91,037 Lakhs - including accumulated interest of ₹ 84,618 Lakhs (PY ₹ 86,300 Lakhs including accumulated interest of ₹ 79,881 Lakhs).

(ii) Asian Electronics Limited:

The lease rent payment to Asian Electronics Limited towards Low Tension Load Management System (LTLMS) panels installed by them has been stopped since June 2006, as LTLMS panels were not working. The dispute has been referred to Arbitrator by Asian Electronics Limited and a claim of ₹ 15,712 Lakhs (PY ₹ 15,712) has been lodged against the company.

Further, Asian Electronics Limited is under process of liquidation, hence the claim of Asian Electronics Limited may not be materialised and liability may not arise.



(iv) Interest Free Loan from Maharashtra Industrial Development Corporation (MIDC) (Refer Note 24):

a) Earlier the various electrical infrastructures up gradation and system improvement work at MIDC areas were carried out by MSEDCL. Considering the urgency, necessity and financial condition of MSEDCL, MIDC itself executed the work or provided funds to MSEDCL. The cost incurred by MIDC or funds provided by MIDC are treated as interest free loan from MIDC.

MIDC had raised claim of various works done under MIDC areas amounting to ₹ 11,669 Lakhs, out of which based on details available, MSEDCL had accepted claims amounting to ₹ 4,729 Lakhs and accounted for the same as interest free loan.

On the basis of Work Completion Report (WCR) and Handing Over Taking Overdocument received from field offices matched with the details provided by MIDC, MSEDCL had repaid ₹ 2,224 Lakhs to MIDC Out of ₹ 4,729 Lakhs. ₹ 2,505 Lakhs are still unpaid due to non-availability of WCR and Handing over Taking Overdocument and the same has been shown as interest free unsecured loan. The amount not accounted of ₹ 6,940 Lakhs(₹ 11,669 Lakhs - ₹ 4,729 Lakhs) (PY ₹ 6,940 Lakhs) has been considered as Contingent Liability. The amount ₹ 6,940 Lakhs when accounted would be capitalised.

b) MSEDCL has requested MIDC to provide funds as grant amounting to ₹ 9,848 Lakhs to carry out up-gradation and system improvement works of 31 no of 33/11 KV,132/33/11 substations and substation for M/sBauli India Ltd.,Baramati in MIDC industrial areas. Considering the necessity and financial condition of MSEDCL, MIDC board accorded approval to provide the fund amounting to ₹. 9,847.52 lakhs to MSEDCL as interest free loan. MSEDCL also received the said amount on Dt.23.01.2017. MSEDCL has approved the scheme for electrical infrastructure up gradation and system improvement at MIDC areas feeding sub stations (Red Grade). The status of the work completion received from CE (Distribution), the work completion amount is ₹ 7812 Lakhs out of Interest Free loan of ₹ 9,848 Lakhs.

(v) Deposits made by MSEDCL with MERC against user charges for use of assets of Mula-Pravara Electric Co-op. Society Ltd. (Refer Note 6.11 & 35):

Mula-Pravara Electric Co-op. Society Ltd. (MPECS) was in the business of Distribution of Electricity as a Licensee from 1970. Govt. of Maharashtra (GoM) had taken a decision with respect to viable rate to be charged to MPECS for the period from April 1977 to April 2000 in the month of May 1999. Due to the implementation of GoM's decision of viable tariff, erstwhile MSEB suffered a revenue loss of ₹ 22,100 Lakhs. The MERC had determined the tariff rate to be charged to MPECS from May 2000. MPECS had continued defaulting full payment from 1977. Due to which at the end of January 2011 arrears amounted to ₹ 2,39,712 Lakhs. MPECS challenged the tariff determined by MERC. The matter is pending before Supreme Court and no interim stay has been granted to MPECS.

MSEDCL has also filed suit for recovery of arrears of ₹ 2,39,712 Lakhs before Civil Court, Srirampur.

Considering the expiry of license of MPECS, MSEDCL filed a petition before MERC for revocation/suspension of MPECS license. Similarly MPECS also filed a petition for grant/continuation of license. Considering the expiry of licensee of MPECS on 31.01.2011, MERC vide its order dtd. 27.01.2011 permitted MSEDCL to supply the electricity in the areas of MPECS and decided the issue of license in favour of MSEDCL. Accordingly, MSEDCL is supplying the electricity w.e.f. 01.02.2011 in the said areas earlier serviced by MPECS using the infrastructure of MPECS.

MPECS challenged MERC order dtd. 27.01.2011 and filed petition before APTEL. APTEL vide its order dtd. 16.12.2011 directed MERC to review its decision for grant of license to MSEDCL and also directed to continue the existing arrangement of supplying electricity in MPECS area by MSEDCL, subject to payment of charges for use of distribution network of MPECS by MSEDCL.



MERC decided that MSEDCL being a deemed licensee, does not require fresh license after expiry of license of MPECS. MPECS challenged MERC order before APTEL. These appeals are still pending before APTEL.

In the MPECS petition for user charges, MERC directed MSEDCL to carry out the valuation of assets of MPECS and directed to pay ₹ 100 Lakhs per month as interim charges for use of assets to MPECS and directed MPECS to provide the necessary details for valuation of assets to MSEDCL. However, since MPECS failed to produce the fixed assets register and necessary documents to MSEDCL, interim charges were not paid and valuation could not be done. Considering this MERC dismissed the matter of determination of user charges stating that, in the absence of the valuation of assets, MERC may not be able to determine the charges payable by MSEDCL to MPECS for the use of the distribution assets.

MPECS thereafter filed appeal before APTEL in this regard in which APTEL vide its order dated 13.03.2015 directed MSEDCL to pay ₹ 100 Lakhs to MPECS as interim arrangement and also directed MERC to carry out valuation of assets. The order of APTEL was challenged by MSEDCL before Supreme Court. The Supreme Court vide its order dated has directed to deposit ₹ 100 Lakhs per month to MERC instead of paying it to MPECS.

Accordingly, based on consultant's valuation report, MERC determined monthly charges payable to MPECS vide its order dtd. 02.05.2016. MSEDCL, being aggrieved by the said order, has challenged MERC order dtd. 02.05.2016 before APTEL and APTEL on said appeal has passed an order directing as under-

- MSEDCL will continue to pay an amount of ₹ 100 Lakhs per month to MPECS.
- MSEDCL to deposit monthly charges as per monthly schedule determined with MERC, after deducting ₹ 100 Lakhs paid to MPECS.

Accordingly, MSEDCL has made payment as under:

Particulars	(₹in Lakhs)		
	Paid up to 31.03.2023	Paid during FY 2023-24	Paid up to 31.03.2024
MPECS (charged to statement of profit and loss)	14,664	1200	15,864
MERC (Deposit)	55,271	1638	56,909
Total	69,935	2838	72,773

For the financial year the total amount of ₹ 1,638Lakhs (PY ₹ 1,939lakhs) deposited by MSEDCL with the MERC together with interest accrued thereon be released to MPECS and consequently adjusted as user charges.

As such, the amount of ₹56,909Lakhs (PY ₹ 55,271 Lakhs) deposited with MERC is considered as a contingent liability.

(vi) Project and Special Project

The Company, has implemented various schemes/projects viz. Infra I, Infra II, RAPDRP, Gaathan Feeder Separation Scheme(GFSS) etc . The works were executed by awarding Turnkey contract to the various agencies. During execution of contracts various dispute arose on contract conditions and recoveries done viz. Price Variance/ Quantity Variance , Liquidated Damages, risk and cost, loss of profit for extended stay, addition expenditure incurred for keeping live performance Bank guarantee and so on. Some aggrieved contractors had invoked Arbitration under various schemes/projects

