

**MANIPUR STATE POWER DISTRIBUTION
COMPANY LIMITED**

4TH ANNUAL REPORT

FY: 2016-17

Regd. Office: 3rd Floor, New Directorate Building Near 2nd MR Gate, Imphal Dimapur
Road Imphal West Imphal MN 795001 IN



MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

(Regd. Office: 3rd Floor, New Directorate Building, Near 2nd MR Gate, Imphal Dimapur Road,
District - Imphal West, Manipur - 795001)

CIN: U40101MN2013SGC008343

File No. MSPDCL/CS/AGM04/Adjourned

Date: 14.02.2022

NOTICE OF THE ADJOURNED FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Adjourned Fourth Annual General Meeting of the Members of Manipur State Power Distribution Company Limited will be held on Monday, the 14th February 2022, at 12:00 noon at the Office Chamber of the Secretary (Power), Government of Manipur, New Secretariat, Imphal West, Manipur - 795001 to transact the following Business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as of March 31, 2017, the Profit & Loss Account for the year ended on that date together with the Notes on Accounts attached thereto, along with the Reports of the Auditors and Directors thereto.

//BY ORDER OF THE BOARD//

For MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

Sd/-

(Dr. Shailesh Kumar Chourasia)

Chairman

PLACE: IMPHAL

DATE: 14.02.2022

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

DIRECTOR'S REPORT

To,

The Members of

M/s. MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

Imphal, Manipur

Your Directors take the pleasure in presenting the 4th Annual Report on the affairs of the Company along with the Audited Financial Statements, Auditors' Report and the Review of Accounts by the Comptroller and Auditor General of India for the year ended 31st March 2017.

FINANCIAL RESULTS:

The Company financial performance for the year under review along with the previous year figures are given hereunder: *(Rupees in lakhs)*

PARTICULARS	YEAR ENDED 31ST MARCH 2017 (AMT IN RS)	YEAR ENDED 31ST MARCH 2016 (AMT IN RS)
Income from Operations	23,960.21	19,288.59
Other Income	26,340.26	29,314.85
Total Income	50,300.47	48,603.44
Total Expenses	50,883.37	48,791.21
Profit/(Loss) - Before Tax & Exceptional Items	(582.90)	(187.77)
Exceptional Items	(35.88)	-
Profit/(Loss) before Tax	(618.78)	(187.77)
Tax Expenses		
(1) Current Tax	-	-
(2) Deferred Tax	839.83	1,762.58
Profit/(Loss) - After Tax	(1,458.61)	(1,950.35)

DIVIDEND:

No dividend was declared for the current financial year due to loss incurred by the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

MATERIAL CHANGES AND COMMITMENTS:

There are no such changes or commitments that occurred, affecting the financial position of the Company between the end of the financial year (i.e. 31.03.2017) and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

As the Company is not carrying out any manufacturing activity the particulars prescribed under the provision of Section 134(3)(m) of the Companies Act, 2013 is not applicable.

However, the Company has been making continuous efforts to keep the employees informed of all emerging technologies and developments which are relevant to the Business of the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earnings: ----- NIL

Out go: -----NIL, during the year under review.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has not adopted any risk management policy during the year. It was in the process for the development and implementation of a Risk Management Policy after identifying the elements of risks that are associated with the power distribution

Company and its similar nature. Further, it shall place to the Board for approval after the formation of the risk management policy.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has taken up the initiative to set up the Corporate Social Responsibility Committee. But the Company has yet to place the policy for implementing the CSR activities. The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The particulars of contract or arrangements made with related parties pursuant to Section 188 of the Companies Act, 2013 is attached to this report.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

The qualifications, reservations or adverse remarks made by the Auditors were read together with the relevant notes to the financial statement and the accounting policies are self-explanatory and do not call for any further comments.

There is no adverse comment on the Secretarial Auditor report, whereas we were delayed in complying with the filing of Annual Accounts. It is due to the non-completion of the audited accounts for the period ended 31.03.2017. Soon after the completion of the auditing and after receiving the comment from the C&AG, we shall

be adopting the audited accounts along with the Secretarial Audit forming a part of the Directors' Report and together with the Statutory Auditors report along with the C&AG comment in the adjourned fourth annual general meeting of the company.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The provisions of Section 178(1) relating to the constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to the appointment of Directors, payments of Managerial remuneration, Director's qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Cat, 2013.

Whereas, Sub-section (2), (3) and (4) of Section 178 of the Companies Act, 2013 shall not apply to the Government Company except with regards to the appointment of "senior management and other employees. Notification dated 5th June 2015.

ANNUAL RETURNS:

The extract of the Annual Returns pursuant to the provisions of Section 92 read with Rules 12 of the Companies (Management and Administration) Rules, 2014 is attached to this report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Company has conducted 9 (Ninth) Board Meeting during the year under review, i.e, 02.04.2016, 24.06.2016, 03.08.2016, 29.09.2016, 25.10.2016, 04.11.2016, 09.11.2016, 08.03.2017, and 27.03.2017.

DIRECTORS' RESPONSIBILITY STATEMENT:

As per Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors makes the following affirmations:

a) in the preparation of 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 provision 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.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The company does not have any Subsidiary, Joint Ventures or Associate Company.

DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

DIRECTORS:

During the year, Mr. Prashant Kumar Singh was appointed as director of the Company. Dr. J. Suresh Babu and Mr. Ashok Natarayan Kumar have tendered their resignation from the Company.

DECLARATION OF INDEPENDENT DIRECTORS:

During the year under review, the Company has taken up the initiative for the appointment of Independent Directors. Hence, there is not any declaration from the independent directors.

AUDITORS:

M/s. Kunjabi & Co, Chartered Accountants, Imphal the existing Statutory Auditors of the Company appointed by the C&AG, India and being eligible offers themselves for re-appointment. The Company has received the certificate from the above Auditors

to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

BOARD'S REPLY ON C&AG COMMENTS:

A. Comments on Profitability

Purchase of Power – Rs. 406.95 Crore

The power purchase bills are booked in the same year as they are incurred. However, some bills which are supplementary in nature and could not be ascertained on the Balance Sheet date are booked on the date/ period of receipt as there is no means to identify and record them as on the balance sheet date. The date of bill 03.08.2021 itself suggests that it was unascertainable as of 31st March 2017.

B. Comments on Financial Position

1. The amount was booked under the wrong head due to posting in the wrong ledger. However, the same has been noted and shall be rectified in upcoming Financial Statements.
2. The Management has taken noted the matter and also agreed to rectify the same in the upcoming financial statement.
3. The Management has taken noted the matter and also agreed to rectify the same in the upcoming financial statement.
4. The Management has taken noted the matter and also agreed to rectify the same in the upcoming financial statement.
5. The amount of Rs. 4.48 Crore pertain to deposits taken over by the Company during FY 2013-14 from erstwhile Electricity Department, Govt. of Manipur, as a part of the Manipur Electricity Reforms Transfer Scheme. In the absence of any documents writing of any documents writing of any such amount may cause financial loss to the Company. However, the Company has taken up actions to identify the relevant documents to ascertain the fate of the amount so recorded.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their sincere appreciation and acknowledge with gratitude the support and consideration extended by the Bankers, Shareholders and employees and look forward for their continued support and cooperation.

By Order of the Board

FOR MANAGEMENT STATE POWER DISTRIBUTION COMPANY LIMITED

Sd/-

Dr. Shailesh Kumar Chourasia
Director
DIN: 09428203

Sd/-

Ng. Subhachandra Singh
Managing Director
DIN: 08941757

Date: 14.02.2022

Place: Imphal

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U40101MN2013SGC008343
2	Registration Date	15-07-2013
3	Name of the Company	MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
4	Category/Sub-category of the Company	STATE GOVT COMPANY
5	Address of the Registered office & contact details	3RD FLOOR, NEW DIRECTORATE BUILDING, NEAR 2ND MR GATE, IMPHAL DIMAPUR ROAD, IMPHAL WEST, MANIPUR - 795001
6	Whether listed company	UNLISTED
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	COLLECTION AND DISTRIBUTION OF ELECTRIC ENERGY TO HOUSEHOLDS, INDUSTRIAL, COMMERCIAL AND OTHER USERS.	35109	100
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	MANIPUR STATE POWER COMPANY LIMITED	U46101MN2013SGC008344	HOLDING	99.5	
2					
3					

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2016)				No. of Shares held at the end of the year (As on 31-March-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(i) Indian									
a) Individuals/HUF		6	6	0.00%		6	6	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)		49,994	49,994	0.50%		49,994	49,994	0.50%	0.00%
d) Bodies Corp.		1,00,00,000	1,00,00,000	99.50%		1,00,00,000	1,00,00,000	99.50%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (i)	-	1,00,50,000	1,00,50,000	100.00%	-	1,00,50,000	1,00,50,000	100.00%	0.00%

(2) Foreign									
a) NR Individuals			-	0.00%				0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)			-	0.00%			-	0.00%	0.00%
TOTAL (A)	-	1,00,50,000	1,00,50,000	100.00%	-	1,00,50,000	1,00,50,000	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1)-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - DR			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2)-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	1,00,50,000	1,00,50,000	100.00%	-	1,00,50,000	1,00,50,000	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Government of Manipur (Through Ng. Robin Singh)	49,994	0.50%			0.00%		-100.00%
2	Vineet Joshi	1	0.00%			0.00%		-100.00%
3	Prashant Kumar Singh	1	0.00%			0.00%		-100.00%
4	Nandabam Sarat Singh	1	0.00%			0.00%		-100.00%
5	Lalshram Priyokumar Singh	1	0.00%			0.00%		-100.00%
6	Ng. Sarat Singh	1	0.00%			0.00%		-100.00%
7	Nandam Dajen Singh	1	0.00%			0.00%		-100.00%
8	Manipur State Power Company Limited	1,00,00,000	99.50%			0.00%		-100.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			1,00,50,000	100.00%	1,00,50,000	100.00%
	Changes during the year			-	0.00%	-	0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year			1,00,50,000	100.00%	1,00,50,000	100.00%

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Manipur State Power						
	At the beginning of the year			1,00,00,000	99.50%	1,00,00,000	99.50%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,00,00,000	99.50%	1,00,00,000	99.50%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Rajesh Agrawal						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1	0.00%	1	0.00%
2	Nandabam Sarat Singh						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1	0.00%	1	0.00%
3	Lalshram Priyokumar Singh						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1	0.00%	1	0.00%

V. INDEBTEDNESS

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

(Unit: Rs./Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,988.00	21,079.00		25,068.00
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	3,988.00	21,079.00	-	25,068.00
Change in Indebtedness during the financial year				
* Addition	106.31			106.31
* Reduction				-
Net Change	106.31	-	-	106.31
Indebtedness at the end of the financial year				
i) Principal Amount		1,122.73		1,122.73
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	1,122.73	-	1,122.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager.**

SN	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs/Lac)
	Name		
	Designation		
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify		-
5	Others, please specify		-
	Total (A)	-	-
	Ceiling as per the Act		-

B. Remuneration to other Directors

SN	Particulars of Remuneration	Name of Directors	Total Amount (Rs/Lac)
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 (B)=(1+2)	-	-
	Total Managerial Remuneration		-
	Overall Ceiling as per the Act		-

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs./Lac)
		Name			
		Designation	CEO	CFO	CS
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify				
5	Others, please specify				
	Total				

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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

PAONAM AMARJIT & CO.

Company Secretary

Keinou Thongthak Mongkhang Leikai

Bishnupur, Manipur- 795134

Mobile no. : 9874770098

Email: amarjitpaonam7@rediffmail.com

GST No.:14AACCO0324Q1ZH

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31ST, 2017

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

To
Members,
Manipur State Power Distribution Company Limited
3rd Floor, New Directorate Building Near 2nd MR Gate,
Imphal Dimapur Road, Imphal West
Manipur- 795001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Manipur State Power Distribution Company Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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, I hereby report that in my opinion, the Company has, during the audit period ended March 31, 2017 complied with the statutory provisions to the extent applicable 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Manipur State Power Distribution Company Limited ("The Company")** for the period ended March 31, 2017 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the Rules made there under; (**Not Applicable to the Company**)
- III. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company**)
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**) to the extent applicable to the Company: (**Not applicable to the Company**)
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and



- Takeovers) Regulations, 2011; **(Not applicable to the Company)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the Company)**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company)**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company)**

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) **The Electricity Act, 2003;**

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not applicable to the Company)**

During the period under review the Company has not complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to following observation:

The company has not filed the statutory returns viz. Annual return in MGT-7 and financial statement in AOC-4 since financial year 2016-17 due to non-completion of Annual Accounts of the Company owing to procedural lagged in the government agency and delayed in compilation of revenue from its various division offices.

It is worth mentioning that the Company has completed finalization of Books of Accounts for the financial Year 2016-2017-18, 2018-19 and 2019-20 and taken its approval in the Board Meeting held on 04/09/2021 and further submit for auditing to the Auditor appointed by C&AG.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors as per the approved State Cabinet Meeting of the Government. However, there is non-compliance in appointment of Independent Directors.



Adequate notice (shorter notice after taking the consent of the directors wherever required) is given to all directors to schedule the Board Meetings 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, wherever applicable. The Company has obtained all necessary approvals under the various provisions of the Act; and

I further report that based on the information received and records maintained 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.

There were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, having major bearing on the Company's affairs.



For Paonam Amarjit & Co.


PCS Paonam Amarjit Singh
Membership No. 63590
CP No. 24253

Place: Imphal

Date :12 February, 2022

UDIN: A063590C002554573

PAONAM AMARJIT & CO.

Company Secretary

Keinou Thongthak Mongkhang Leikai

Bishnupur, Manipur- 795134

Mobile no. : 9874770098

Email: amarjitpaonam7@rediffmail.com

GST No.:14AACCO0324Q1ZH

Form No. MGT-8

[Pursuant to section 92(2) of the Companies Act, 2013 and rule 11(2) of Companies (Management and Administration) Rules, 2014]

CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

I have examined the registers, records and books and papers of **MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED** (the Company) as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on 31st March, 2017. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me/ us by the company, its officers and agents, I certify that:

A. the Annual Return states the facts as at the close of the aforesaid financial year correctly and adequately.

B. during the aforesaid financial year the Company has complied with provisions of the Act & Rules made there under in respect of:

1. its status under the Act;
2. maintenance of registers/records & making entries therein within the time prescribed therefor;
3. filing of forms and returns as stated in the annual return, with the Registrar of Companies, Regional Director, Central Government, the Tribunal, Court or other authorities ~~within~~/beyond the prescribed time;
4. calling/ convening/ holding meetings of Board of Directors or its committees, if any, and the meetings of the members of the company on due dates as stated in the annual return in respect of which meetings, proper notices were given and the proceedings including the circular resolutions ~~and resolutions~~ passed by



- postal ballot, if any, have been properly recorded in the Minute Book/registers maintained for the purpose and the same have been signed;
5. closure of Register of Members / Security holders, as the case may be.
6. ~~advances/loans to its directors and/or persons or firms or companies referred in section 185 of the Act;~~
7. ~~contracts/arrangements with related parties as specified in section 188 of the Act;~~
8. ~~issue or allotment or transfer or transmission or buy back of securities/ redemption of preference shares or debentures/ alteration or reduction of share capital/ conversion of shares/ securities and issue of security certificates in all instances;~~
9. ~~keeping in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act~~
10. ~~declaration/ payment of dividend; transfer of unpaid/ unclaimed dividend/ other amounts as applicable to the Investor Education and Protection Fund in accordance with section 125 of the Act;~~
11. signing of audited financial statement as per the provisions of section 134 of the Act and report of directors is as per sub - sections (3), (4) and (5) thereof;
12. ~~constitution/ appointment/ re-appointments/ retirement/ filling up casual vacancies/ disclosures of the Directors, Key Managerial Personnel and the remuneration paid to them;~~
13. appointment/ reappointment/ filling up casual vacancies of auditors as per the provisions of section 139 of the Act;
14. approvals required to be taken from the Central Government, Tribunal, Regional Director, Registrar, Court or such other authorities under the various provisions of the Act;
15. ~~acceptance/ renewal/ repayment of deposits;~~
16. ~~borrowings from its directors, members, public financial institutions banks and others and creation/ modification/ satisfaction of charges in that respect, wherever applicable;~~



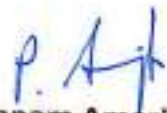
~~17. loans and investments or guarantees given or providing of securities to other bodies corporate or persons falling under the provisions of section 186 of the Act ;~~

~~18. alteration of the provisions of the Memorandum and/ or Articles of Association of the Company;~~

Place: Imphal
Date: 12/02/2022



UDIN: A063590C002548600


Paonam Amarjit Singh
Member No.: A63590
C.P. No. : 24253

Note: The qualification, reservation or adverse remarks; if any, may be stated at the relevant place(s).

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF MANIPUR STATE POWER DISTRIBUTION
COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2017.**

The preparation of Financial Statements of **Manipur State Power Distribution Company Limited** (Company) for the year ended **31 March 2017** in accordance with the 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 are responsible for expressing an opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the auditing standards prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **4 September 2021**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Financial Statements of **Manipur State Power Distribution Company Limited** for the year ended **31 March 2017** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

A. Comments on Profitability

Statement of Profit and Loss

Expenses

Purchase of Power: ₹ 406.95 crore

1. This is understated by ₹ 14.12 crore due to non-provisioning towards power purchase bills (current year: ₹ 0.16 crore; prior periods: ₹ 13.96 crore) raised (May 2018/August 2021) by North Eastern Electric Power Corporation Limited (NEEPCO) before approval (September 2021) of the Annual Accounts for 2016-17. This has correspondingly resulted in understatement of 'Current Liabilities (Trade Payables)' and 'Loss for the year' to the same extent.

B. Comments on Financial Position

Balance Sheet

Equity and Liabilities

Non-Current Liabilities

Long Term Borrowings (Note-4)

Power Finance Corporation: ₹ 210.70 crore

1. This is overstated by ₹ 20.88 crore due to wrong classification of 'Capital Grants' released (February 2017) by Power Finance Corporation Limited (PFC) for implementation of Restructured Accelerated Power Development and Reforms Programme (subsumed in Integrated Power Development Scheme) under 'Long Term Borrowings'. This has correspondingly resulted in understatement of 'Other Current Liabilities-Balance Grants (Capital) (Note-8)' to the same extent.

Assets

Non-Current Assets

Long-Term Loans and Advances

Capital Advances: ₹ 94.91 crore

2. This is overstated by ₹ 3.00 crore due to non-adjustment of Capital Advances paid to the Consultants (M/s Tata Consultancy Services, Kolkata) against the Restructured Accelerated Power Development and Reforms Programme project (R-APDRP project) despite completion of the work assignment by the Consultants. This has correspondingly resulted in understatement of 'Capital Work-in-Progress' to the same extent.
3. This is overstated by ₹ 1.08 crore due to non-capitalisation of the cost of construction of Central Store Main Building (Yurembam-A & B) under 'Fixed Assets' despite completion of works during 2016-17. This has correspondingly resulted in understatement of 'Fixed Assets-Buildings' to the same extent.

Fixed Assets (Note-9)

Tangible Assets

Buildings

Additions during the year: ₹ 6.79 crore

4. This is overstated by ₹ 0.36 crore due to wrong grouping of the construction cost paid against the works pending completion as on 31 March 2017 under 'Fixed Assets' instead of 'Capital Works in Progress'. This has correspondingly resulted in understatement of 'Capital Works-in-Progress' to the same extent.

Current Assets
Short Term Loans & Advances (Note-13)
Deposits: ₹ 4.48 crore

5. This represents the 'Deposits' kept under the Treasury by the Electricity Department, Government of Manipur, which were taken over by the Company during the year 2013-14 under Manipur Electricity Reports Transfer Scheme as part of the Power Sector Reforms. The Company has been carrying forward the said 'Deposits' since the year 2013-14 without complete details and supporting documents to ensure the recoverability of these Deposits, which is against the Accounting Principle of Conservatism.

Place: Imphal
Date: 10.02.2022

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


Principal Accountant General (Audit)
Manipur



**TO THE MEMBERS OF
MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Manipur State Power Distribution Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone 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 thereunder.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the 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 standalone financial statements.

We report that

(a) The Govt of Manipur released grant in aid of Rs 28333.33 lakh distinctly indicating

- (i) Rs 4119.86 lakh for Manipur Power Company Limited (MSPCL) for the purpose of meeting staff salary and maintenance & Operation expenses
- (ii) Rs 24,213.47 lakh for Manipur Power Distribution Company Limited for the purpose of meeting staff salary and maintenance & Operation expenses and power purchase.

However the company has recognised the total amount of grant of Rs 28,333.33 lakh as their income instead of Rs 24,213.47 lakh. The company transferred to MSPCL the grant of Rs 4119.86 lakh as per terms of sanction orders. However, the amount of grant so remitted has been treated by the company as power transmission charges and included in the power purchase expenditure. There is no tariff transmission rate agreement between the two companies and hence no billing has been raised by MSPCL also. The company- MSPDCL as a grantee entity has no authority to change the term and purpose specified in the sanction orders of Govt. of Manipur. Thus the expenditure under the head 'Purchase of Power' of Rs 40,694.73 lakh has been overstated by Rs 4119.86 lakh. Further the Other income – Govt Grant with explanation under Note No. 26 also has been overstated by the same amount of Rs 4119.86 lakh. Though the remittance to MSPCL does not arise from any business transaction but has been reflected wrongly under Note No. 21 – Related Party transaction as 'transmission charge'.

(b) The revenue on power distribution (sales) of Rs19,517.85 lakh under Note No. 15 is on the basis of billing for the period as consolidated in CMTR statement at corporate office. However it is observed that the uniform date of billing cycle is not maintained in any Division. As a result the overlapping of cycle is inevitable. Thus true revenue for a period has not been reflected. The company has not introduced cost records and thus has no effective mechanism to establish the linkage of the quantity of power distribution to the Revenue. Hence we are not in position to ascertain the truthfulness of the revenue. To ensure a true picture of revenue it requires to introduce an effective internal control measure.

(c) Trade Receivables and provision for doubtful debt

Segregation of trade receivables (Note no. 11) between 'more than six months' and 'others' is on ad-hoc assumption that 80% collection of revenue is related to the period October 2016 to March 2017 and is considered as current period billing and the balance towards realisation of arrears. Such segregation should have been done on ageing status of receivables. Thus the actual position of trade receivable has not been reflected in the financial statement.

(d) Provision for doubtful debts

Though huge amount of doubt debt has been taken over from the erstwhile Electricity Department, Govt of Manipur provision for bad debt has not been made in the accounts. There is no record to identify the realisation of the past receivables.



(e) Provision of interest on security deposit of consumer

The Joint Electricity Regulatory Commission for Manipur and Mizoram (Electricity Code) Regulations, 2013 requires that interest on security deposit of consumer has to be provided at the base rate of State Bank of India prevailing on 1st April of the financial year 2016-17 i.e. 9.30% pa. The interest on such security deposit has not been provided in the accounts and as such liability and net loss of the year are understated to the extent of accrued amount of interest.

(f) The other current liabilities (Note 8) payable to Micro and Small Enterprises, if any, have not been ascertained and disclosed separately. In absence of the required information the interest provision has not been made in the accounts

(g) The provision for retirement benefits – Gratuity and Leave encashment (on basis of actuarial valuation) has not been made in the accounts. Thus the company has not complied with AS-15. Further the company has not made provision for EPF liability for the contractual staff whose services are continuously engaged by the company.

(h) The company does not hold clear title deeds of land purchased in 2014-15. The 1st land under patta No. 17/154,440(old) 248/880 (new), CS Dag No.3069/3425 measuring 0.2509 hect at 17-Chaobok Tahsil Liliong, purchased for Rs 12.00 lakh on 17.6.2014 is registered in the name of the Department of Power, Government of Manipur. Thus the value of land under Note 9 has been wrongly reflected. For the 2nd land under patta No 798/913(new) Dag No. 1582/1632 measuring 1.0 at Keirao Langdum purchased for Rs 7.00 lakh the company holds "DEED OF AGREEMENT" only. But the final SALE DEED duly registered could not be produced to us for verification.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements **subject to our above qualification** 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, 2017, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

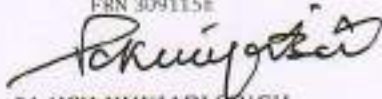
2. As required by Section 143 (3) of the Act, we report that:

- (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) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion and subject to above the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as stated above.
- (e) Requirement of disclosure under section 164(2) of the Act is not applicable to the company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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:
- The Company does not have any pending litigations which would impact its financial position except as disclosed in Note No 24
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Imphal
Date : 04/09/2021

For KUNJABI & CO
Chartered Accountants
FRN 309115E

CA KSH KUNJABI SINGH
Partner
Membership no. 016593
UDIN - 21016593AAAADM7852



MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

"Annexure A" referred to in our report to the members of for the year Ended on 31st March 2017.

We report that:

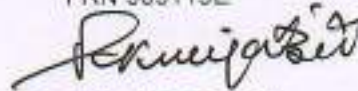
(i)	(a)	The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	There is no evidence of physical verification of the assets having been conducted during the year by the Management. It has been reported to us that the assets were physically verified at the time of transfer of the assets from Electricity Department, Govt of Manipur and thereafter there has not been any such physical verification
	(c)	The Company has accounted two plots of land purchased in the year 2014-15 under Fixed Assets (Note 9). But the land under patta No. 17/154,440(old) 248/880 (new), CS Dag No.3069/3425, measuring 0.2509 hect at 17- Chaobok Tahsil Lilong, Dist Thoubal purchased on 17.6.2014 for Rs 12.00 lakh is registered in the name of Department of Power, Govt of Manipur and not in the name of the Company. The Jamabandi Patta is also in the name of the former. In respect of The second land under patta No 798/913(new) Dag No. 1582/1632 measuring 1.0 at Keirao Langdum for which a sum of Rs 7.00 was paid, the company holds "DEED OF AGREEMENT" only. The finalised SALE DEED duly registered could not be produced by the company for verification. In respect of other lands on which the immovable assets are erected the company does not hold any title deed as the same are not transferred by the Govt of Manipur under the Scheme of transfer.
(ii)		As noted on the Inventory sheet, the inventory has been physically verified only once by the management at the end of the year. We are informed that no material discrepancy is noticed in such verification.
(iii)		The company has not granted any loan to any party to be covered in the register maintained under section 189 of the Companies Act, 2013. As such the terms and conditions of loan that may prejudice the interest of the company, the question of regular repayment and overdue amount for more than ninety days is not applicable.
(iv)		The company has not made any loan, investment and has not given any guarantee for any loan or obligation and as such the provisions of section 185 of the Companies Act, 2013 are not applicable.
(v)		The company has not accepted any deposit under the provisions of the Companies Act, 2013 and hence provisions under section 73-76 of the Companies Act, 2013 are not applicable.
(vi)		Maintenance of cost record has been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013. However, the maintenance of such cost records has not been introduced.
(vii)	(a)	The company is not regular in deposit of statutory dues. The total liability on this account as on 31.3.2017 is Rs. 1878.81 lakh
	(b)	As per information and explanation given to us and In our opinion there is no case of disputed statutory dues.
(viii)		The company has not defaulted in the repayment of loans taken from the financial institutions in respect of the principal amount. However interest amounting to Rs 150.67 lakh is overdue as on 31.3.2017



(ix)	No money has been raised by the company from any security through public offer. However the company has obtained terms loans which, in our opinion, has been applied to the purpose for which loan has been taken
(x)	Instance of any fraud, if any, has not been brought to our notice.
(xi)	The provisions of section 197 and schedule V to the Companies act, 2013 in respect of managerial remuneration is not applicable to this company
(xii)	The company is not a Nidhi Company and hence the maintenance of the prescribed ratio of Net Owned Funds to Deposits is not required
(xiii)	The transactions entered into with related parties are in the normal course of business. Hence there are no transactions with the related parties attracting the application of provisions of section 188 of the Companies Act, 2013
(xiv)	The company has made neither the preferential allotment nor private placement of securities
(xv)	As per information and explanation given to us the company has not entered into any non-cash transactions with any director or persons connected with him requiring the compliance of provisions of section 192 of the Companies Act, 2013
(xvi)	As explained to us, the company is not engaged in any business relating to activities of a Non-Banking Financial Company (NBFC) and hence there is no requirement of registration under section 45-IA of Reserve Bank of India Act, 1934

Date 04/09/2021
Imphal

For KUNJABI & CO
Chartered Accountants
FRN 309115E



KSH. KUNJABI SINGH
Partner

Membership no. 016593
UDIN - 21016593AAAADM7852



"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

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 MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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. 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.

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 judgement, 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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.

We report that the company has not constituted an Audit Committee under section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of the Board and its Powers) Rule 2014 to oversee the financial reporting process and internal control system of the company.

Opinion

Subject to above in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Place : Imphal
Date : 04/09/2021



For KUNJABI & CO
Chartered Accountants
FRN 309115E

A handwritten signature in black ink, appearing to read "K. Singh".

CA KSH KUNJABI SINGH
Partner

Membership no. 016593
UDIN - 21016593AAAADM7852

MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH'2017



(Rupees in Lakhs)

Particulars		Note No.	31st March 2017	31st March 2016
I. EQUITY AND LIABILITIES				
(i) Shareholders' Funds				
(a) Share Capital	2		1,005.00	1,005.00
(b) Reserves & Surplus	3		1,61,184.00	1,47,320.69
(ii) Non-Current Liabilities				
(a) Long Term Borrowings	4		26,287.04	13,499.77
(b) Other Long Term Liabilities	5		21,368.29	17,932.58
(c) Deferred Tax Liabilities (Net)	6		5,517.35	4,677.52
(iii) Current Liabilities				
(a) Trade Payables	7		14,851.28	12,098.49
(b) Other Current Liabilities	8		16,395.05	8,147.16
(c) Provisions			873.27	1,335.39
Total			2,47,481.28	2,06,016.59
II. ASSETS				
(i) Non-Current Assets				
(a) Fixed Assets	9			
(i) Tangible Assets			68,155.36	59,473.80
(ii) Capital Work-In-Progress			1,06,532.10	82,462.54
(b) Long-Term Loans & Advances				
(i) Capital Advances			9,491.32	6,040.42
(ii) Current Assets				
(a) Inventories	10		1,150.78	1,678.89
(b) Trade Receivables	11		42,748.07	40,336.81
(c) Cash & Cash Equivalents	12		18,612.76	15,303.69
(d) Short-Term Loans & Advances	13		447.67	447.67
(e) Other Current Assets	14		343.23	272.78
Total			2,47,481.28	2,06,016.59
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 26			

As per our Report of even date

For **KUNJABI & CO.**
Chartered Accountants
Firm Registration No. 309115E

CA KSH KUNJABI SINGH
Partner
Membership No. 016593



UDIN: 21016593AAAADM 7852
Place: Imphal
Date: 4.9.2021

For & on behalf of the Board

Kh Raghmani Singh
Director
(DIN 08518083)

Ng Subhachandra Singh
Managing Director
(DIN 08941757)

Laishram Birdas Singh
Company Secretary
(PAN AFFPL5263E)

MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017



Particulars		Note No.	As at 31st March 2017	As at 31st March 2016
I.	Revenue from Operations	15	23,960.21	19,288.59
II.	Other Income(Non-Tariff)	16	26,340.26	29,314.85
III.	Total Revenue (I + II)		50,300.47	48,603.44
IV.	Expenses:			
	Purchases of Power		40,694.73	37,063.09
	Changes in inventories		528.10	-1,147.86
	Employee Benefits Expense	17	7,174.70	6,490.38
	Finance Cost		23.00	-
	Other Expenses	18	1,136.27	5,049.97
	Depreciation & Amortisation	9	1,326.58	1,335.62
	Total Expenses (IV)		50,883.37	48,791.21
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(582.90)	(187.77)
VI.	Exceptional Items			
	Prior Period Adjustments		(35.88)	-
VII.	Profit before tax (V+VI)		(618.78)	(187.77)
VIII.	Tax Expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax		839.83	1,762.58
IX.	Profit (Loss) for the period from continuing operations (VII-VIII)		(1,458.61)	(1,950.35)
X.	Profit/(loss) from Discontinuing Operations		-	-
XI.	Tax expense of Discontinuing Operations		-	-
XII.	Profit/(loss) from Discontinuing operations (after tax) (IX+X-XI)		-	-
XIII.	Profit / (Loss) for the period (V - VI)		(1,458.61)	(1,950.35)
XIV.	Earning per equity share (Par Value Rs.10/- each):	19		
	(1) Basic		(14.51)	(19.41)
	(2) Diluted		(14.51)	(19.41)
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 26		

As per our Report of even date

For KUNJABI & CO.

Chartered Accountants

Firm Registration No. 309115E

Kunjabi

CA KSH KUNJABI SINGH

Partner

Membership No. 016593



UDIN: 21016593AAAADM7852

Place : Imphal

Date : 4.9.2021

For & on behalf of the Board

Kh Raghupati Singh

Kh Raghupati Singh

Director

(DIN 08518083)

Ng Subhachandra Singh

Ng Subhachandra Singh

Managing Director

(DIN 08941757)

Laishram Birdas Singh

Laishram Birdas Singh

Company Secretary

(PAN AFFPL5263E)

MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH'2017



(Rupees in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(618.78)	(187.77)
Add/(Less) : Adjustments		
Depreciation	1,692.28	1,370.08
Operating Profit before Working Capital Changes	1,073.49	1,182.31
Adjustment for change in :		
(Increase)/Decrease in Inventories	528.10	(1,147.86)
(Increase)/Decrease in Trade Receivables	(2,411.26)	(904.22)
(Increase)/Decrease in Short Term Loans & Advances	-	7,194.79
(Increase)/Decrease in Other Current Assets	(70.45)	(88.90)
Increase/(Decrease) in Trade Payables	2,752.79	1,349.54
Increase/(Decrease) in Provisions	(462.12)	1,335.39
Increase/(Decrease) in Other Current Liabilities	8,247.90	(2,650.02)
Cash generated from Operations	9,658.45	6,271.04
Direct Taxes Paid	-	-
Cash Flow from Before Extra Ordinary Items	9,658.45	6,271.04
Extraordinary Items	-	-
Net Cash Flow from Operating Activities	9,658.45	6,271.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/Decrease in Fixed Assets	(10,373.83)	(7,584.25)
(Increase)/Decrease in Capital Work in Progress	(24,069.57)	(31,836.16)
(Increase)/Decrease in Long Term Loans & Advances	(3,450.90)	(6,040.42)
Cash Flow From Investing Activities	(37,894.30)	(45,460.83)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Increase/(Decrease) in Reserves & Surplus	15,321.92	19,363.58
Increase/(Decrease) in Long Term Borrowings	16,222.98	23,407.35
Cash Flow From Financing Activities	31,544.91	42,770.93
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,309.07	3,581.14
Cash & Cash Equivalents at the Beginning of the year	15,303.69	11,722.56
Cash & Cash Equivalents at the Closing of the year	18,612.76	15,303.69

As per our Report of even date

For & on behalf of the Board

For **KUNJABI & CO.**

Chartered Accountants

Firm Registration No. 309115E

CA KSH KUNJABI SINGH

Partner

Membership No. 016593

UDIN 24016593AAAADM7852

Place : Imphal

Date : 4.9.2021



Kh Raghupati Singh

Director

(DIN 08518083)

Ng Subhachandra Singh

Managing Director

(DIN 08941757)

Laishram Birdas Singh

Company Secretary

(PAN AFFPL5263E)

Note 1 Significant Accounting Policies

After the unbundling from the Electricity Department, Government of Manipur (EDM), **MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED (MSPDCL)** needs to follow accounting policy and standards that are applicable to all companies under the Companies Act, 2013. Further Electricity Act 2003 that repealed the Electricity (Supply) Act 1948 laid out detailed accounting policies and standards.

Under the Companies Act 2013, all Companies unless exempted are to prepare their accounts using the Accounting Standards as notified by the Central Government as stated U/S 133 of the Companies Act, 2013 (Under advise from the National Advisory Committee on the Accounting Standards) which are applicable for all Companies. More over the Companies Act, 2013 also requires the Balance Sheet of the Company to be prepared in the form as laid out in Schedule III to the Act. Under this Schedule the Company needs to set out Significant Accounting Policies followed by the Company. The following paragraphs set out illustratively the significant accounting policies:

1. Basis of preparation of financial statements

The company is a public limited company registered under the provisions of Companies Act, 1956. The company is governed by the Electricity Act, 2003. The provisions of the Electricity Act, 2003 read with the rules made thereunder prevail wherever the same are inconsistent with the provisions of the Companies Act, 2013 in terms of section 174 of the Electricity Act, 2003. The accounts have been prepared on the basis of going concern concept and under the historical cost convention. The company adopts accrual basis in preparation of its accounts to comply in all material aspects with Generally Accepted Accounting Principles (GAAP) and the accounting standards issued by the Companies (accounting standards) rules, 2006 as per notification no. G.S.R.739(e) dated 7th December, 2006.

2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and the liabilities, disclosure of contingent liability on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which results are known / materialized.

3. Government Grant

- Grants-in-aid received from State Government or other authorities towards capital expenditure for projects, betterment of system operation and specific depreciable assets are shown as "Balance Grant" until the utilization of Grant.
- Grant received for specific depreciable assets are treated as deferred income and reflected under group head Reserve and Surplus and recognized in the profit and loss account over the useful period of life and in proportion to which depreciation on these assets is provided.
- Grants relating to revenue nature are accounted for on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related cost which they are intended to compensate.
- Grants Received from Government have been treated as per instructions of the Granting Government.




Director
Manipur State Power
Distribution Company Ltd.


Managing Director
MSPDCL


Company Secretary
MSPDCL



4.Fixed Assets

- a) Fixed assets of the company are recorded in the books of accounts and disclosed in Annual Accounts as transferred from EDM as on 1st day of February 2014 and subsequent additions made by the company during the year.
- b) All other Fixed Assets excluding paragraph 4(a) above are stated at historical cost less depreciation. Historical cost comprises the cost of acquisition and any other applicable costs attributable in bringing the assets to their working condition for their intended use, is inclusive of freight, duties & taxes (other than those subsequently recoverable from taxing authorities), levies, borrowing costs & all incidentals attributable to bring the asset ready for intended use.
- c) In case of fixed assets, for new projects / extension, the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.
- d) In case of Commissioned assets where final settlement of bills with contractors is yet to be effected, capitalization is made on provisional basis subject to necessary adjustment in the year of final settlement.
- e) Incidental expenditure prior to construction, preliminary project expenditure on identification, survey/ feasibility studies of projects etc is apportioned to capital work in progress on the basis of accretion there to. These expenses however are charged to profit and loss account if project is abandoned.
- f) Expenses incurred during the construction period including interest expense by construction divisions/ subdivisions are capitalized and accounted as cost of capital assets.
- g) The company capitalizes the cost of new transformers used for new sub-station, augmentation and replacement. The cost of repair of old/ burnt transformers is charged off to Repair and Maintenance Expenses.
- h) The capital work in progress is stated at cost inclusive of all direct and proportionate overhead costs incurred.
- i) The direct incidental cost incurred by the company at project and planning units for the period are apportioned to respective Capital Work-in-Progress on the basis of cumulative accretions.
- j) The costs incurred and revenue generated during the Trial Runs Stage of the Project / Power Station are capitalized.
- k) The costs incurred on identification, survey and feasibility studies of a project under sanction are shown as a distinct item in capital work in progress till the period of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to revenue in the year of its rejection.
- l) Fixed Assets costing individually up to Rs. 5,000/- are charged to revenue in the year of purchase. Cost of all Mobile Phones is charged off to Revenue during the year of purchase.
- m) Assets retired from active use and held for sale are valued at cost or Net Realisable Value whichever is lower.




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Distribution Company Ltd.


Managing Director
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- n) Intangible Assets are capitalized at cost less accumulated amortization and impairment losses, if it is probable that the future economic benefits that are attributable to the assets will flow to the Company.
- o) The cost of Software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognized as intangible assets in the books of accounts when the same is ready for its intended use.

5. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for its intended use. Other borrowing costs not attributable to the acquisition or construction of any capital asset are recognized as expenses in the period in which they are incurred.

6. Depreciation /Amortization

- a) The company provides depreciation on straight line method to the extent of 90% of the cost of asset following the rates notified by Companies Act 2013.
- b) Depreciation on additions/deletions of assets is provided on pro-rata basis from/up to the month in which the asset is available for use/disposal. Where the life and/or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised useful life determined by technical assessment.
- c) Assets procured during the year costing Rs 5,000/- or less are charged to revenue during the year. This policy has been adopted generally across all categories of assets.
- d) On scrapping / obsolescence of an assets, the cost of assets and accumulated depreciation on it is withdrawn and transferred to a profit & loss account.
- e) Leasehold property is amortized over a period of lease.
- f) Expenses capitalized on account of purchase of new application software, implementation of the said software by external third party consultants and purchase of licenses are amortized over their estimated useful lives not exceeding ten years. Other intangible assets are amortized over the period for which benefits are estimated to generate sufficient economic benefits.

7. Impairment of Assets

The Company at the Balance Sheet date assesses individual fixed assets and groups of assets constituting "Cash Generating Units" (CGU) for impairment, if circumstances indicate a possibility or warrant such assessment. Provision is made for impairment of such assets or CGU if carrying cost is higher than recoverable amount.

8. Critical/ Insurance Machinery Spares

- a) Machinery spares procured along with the Plant & Machinery, whose use is expected to be irregular, are capitalized separately, if cost of such spares is known. If cost of such spares is not known, these are capitalized along with concerned plant.
- b) Machinery spares procured subsequently are also capitalized in the year of purchase.



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- c) Machinery spares are depreciated fully over the remaining useful life of the related plant and machinery.
- d) Written Down Value of old Machinery Spares is charged to revenue in the year in which such spares are replaced and the old relevant spares are found to be of no further use. However, if the old relevant spares can be repaired and reused, then both are continued to be depreciated over the remaining useful life of the relevant asset.
- e) The repair charges of the old relevant spares are charged to statement of profit and loss.
- f) Other spares are treated as "Stores & Spares" forming part of the inventory, valued at cost or net realizable value whichever is lower and expensed when issued.

9. Inventories

Stock of materials, stores, spare parts is valued at lower of cost or net realizable value, and cost is determined on weighted average cost method. Cost comprises of cost of purchase including duties and taxes (except those which are subsequently recoverable from the taxing authorities) and other costs incurred in bringing them to their present location and condition. Losses towards unserviceable and obsolete stores and spares identified on review are provided in the accounts.

10. Power Purchase Cost

The cost of power purchase under long term agreement is subject to revision based on tariff orders notified by the appropriate commission of respective power generators. The portion of the power purchase cost which is dependent upon such finalization is accounted for as and when such bills/ demands are received from the power generators.

11. Revenue Recognition

- a) Sale of electricity is accounted for based on tariff rates approved by the JERC, inclusive of Fuel Adjustment Charges to the end of the accounting period.
- b) Other income is recognized on accrual basis. Sale of scrap and any other item is accounted when the same is contracted to be sold. Recoveries on account of Liquidated Damages are recognized as income on actual basis.
- c) The Company follows the method of recognizing the revenue surplus (PAT) for the year based on the provisions of Electricity Act 2003.
- d) The Company recognizes revenue to the extent billed during a period. Any unbilled sale is recognized as and when a bill is raised for the same. In case of prepaid connections, revenue is recognized on basis of sale of prepaid vouchers irrespective of usage by consumer and this process is followed consistently.

12. Investments

- a) Long term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments.
- b) Current investments are carried at lower of cost and fair value.




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13. Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard-20, Earning Per Share. The Basic EPS has been computed by dividing the income available to equity share holders by the weighted average number of equity shares outstanding during the accounting period.

14. Foreign Currency transactions

A foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency prevailing on the date of the transaction. At the Balance Sheet date, foreign currency monetary items are reported using the closing rate. Gain or loss, if any, is recognized in the Statement of Profit and Loss for the year. The gain or loss arising on account of exchange rate differences between the payment date and transaction date is charged to the Statement of Profit and Loss.

15. Employee Benefits

- a) **Short Term Employee Benefits:** The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as liability (accrued expense).
- b) **Post-employment benefits:** In case of new recruits Defined Benefit Plan like Gratuity and Leave encashment Provision for accruing liability for gratuity and leave encashment on retirement is made on the basis of the liability as actuarially determined as at the year end.
- c) **Benefits to Deputed Employees** The benefits like gratuity, leave encashment, provident fund and any other terminal benefits to the deputed employees from the Electricity Department, Government of Manipur will be provided by the Government of Manipur.

16. Leases

- a) **Finance Lease:** In respect of assets acquired on finance lease the lease rentals are charged to the Statement of Profit and Loss as and when the same accrue. Assets acquired subsequent to 1st day of July, 2012 are classified as Finance leases, where the Company has substantially all the risks and rewards of ownership, such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.
- b) **Operating Lease:** Assets taken on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expense on straight line basis.

17. Taxation

- a) **Income Tax:** Current tax is determined as per the provisions of the Income Tax Act, 1961 in respect of Taxable Income for the year, after considering permissible tax exemption, deduction / disallowance. Current tax when provided under the minimum alternate tax provisions of section 115JB of the Income Tax 1961, the benefit of credit against such payments is available over a period of 10 subsequent assessment years and will be recognized when actually realized.




Director
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Company Secretary
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- b) **Deferred Tax:** Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, subject to consideration of prudence by applying the tax rate and laws enacted or substantially enacted by Balance Sheet date as per the Accounting Standard-22 'Accounting for tax on Income'. In respect of unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only to the extent there is virtual certainty of realization in future. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

18. Significant Event Occurring after the Balance sheet Date

- a) Contingent losses are to the extent identifiable as devolving on the company have been provided for in the profit and loss account based on materiality and probability of occurrence of the contingent event.
- b) Events occurring after the balance sheet date are given effect in the financial statements only if they provide further evidence for the estimations of amounts relating to conditions that existed at the Balance Sheet date

19. Prior Period Items and Extra-Ordinary Items

- a) Adjustments arising due to errors or omissions in the financial statements of earlier years are accounted under "Prior Period".
- b) Prior period items & extraordinary transactions are disclosed separately in the profit & Loss account in accordance with the requirement of AS-5. For this purpose, prior period items are those items which arise out of errors or omissions.

20. Prepaid Expenditure

- a) Expenses related to the succeeding period incurred in the current period shall be recorded as prepaid expenses based on materiality.
- b) Prepaid Expenses upto Rs 10,000/- are accounted under appropriate heads of accounts.

21. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Financial effect of contingent liabilities is disclosed based on information available up to the date on which financial statements are approved. Contingent assets are not recognized in the financial statements.



Director
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Managing Director
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MSPDCL

Note : 2

Particulars of Share Capital :

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Equity Shares of Rs. 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued Subscribed & Fully Paid up Equity Shares of Rs. 10/- each	1,00,50,000	1,005.00	1,00,50,000	1,005.00
Total	1,00,50,000	1,005.00	1,00,50,000	1,005.00

Note :

Out of above total paid up capital, Rs. 10 Crores (1 crore Eq. Shares of Rs 10/- each) has been issued to Manipur State Power Company Limited for consideration other than cash as per the Manipur State Electricity Reforms Transfer Scheme 2013.

Note : 2.1

Reconciliation of number of shares outstanding at the beginning & at the end of the reporting period :

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	1,00,50,000	1,005.00	1,00,50,000	1,005.00
Shares issued during the year				
Shares outstanding at the end of the year	1,00,50,000	1,005.00	1,00,50,000	1,005.00

Note : 2.2

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

All the equity shares of the company are issued with same rights & privileges as other equity shares.

Note : 2.3

Shares in respect of each class in the company held by the holding company or its ultimate holding company including shares held or by subsidiaries of the holding company or the ultimate holding company in aggregate:

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
1,00,00,000 Eq. Shares held by Manipur State Power Company Limited, the Holding Company	1,000.00	1,000.00

Note : 2.4

Shares in the company held by shareholders holding more than 5 percent shares :

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manipur State Power Company Limited	1,00,00,000	99.50%	1,00,00,000	99.50%



Director
Manipur State Power
Distribution Company Ltd.

Managing Director
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Company Secretary
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Note : 3

Reserve & Surplus:

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
(a) Capital Reserves		
Opening Balance	1,53,524.82	1,34,161.23
(+) Current Year Transfer	267.32	16,680.56
(+) Deferred Income to be amortised	15,420.30	4,379.63
(-) Amortisation	365.69	34.46
(-) Reversal	-	1,662.15
Closing Balance	1,68,846.74	1,53,524.82
(b) Profit & Loss Account		
Opening Balance	(6,204.13)	(4,253.78)
(+) Current Year Transfer	(1,458.61)	(1,950.35)
Closing Balance	(7,662.74)	(6,204.13)
Total (a+b)	1,61,184.00	1,47,320.69

Note : 4

Long Term Borrowings:

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Secured		
Rural Electrification Corporation Limited (RAPDRP part B)	3,988.00	3,988.00
(Secured By Charge over Assets amounting to Rs 5,356.49 Lakhs)		
State Bank of India	106.31	-
(OD Loans Against FD)		
Unsecured		
Power Finance Corporation	21,070.00	8,390.00
(Convertible into Grant on fulfilment of stipulated Terms & Conditions of Implementation of the project)		
Rural Electrification Corporation (RGGVY)	1,122.73	1,121.77
Total	26,287.04	13,499.77

Note : 4.1 Secured Borrowings stand at same amount as that of previous year as the loan is under moratorium period. The 1st installment of principal Repayment is due in December 2018.

Note: 4.2 For Unsecured Loan From Power Finance Corporation Interest has not been provided as per stipulated Terms & Conditions of Agreement.

Note : 5

Other Long Term Liabilities:

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Creditors for Capital Goods*	7,702.35	7,907.42
Security Deposit/ Retention Money/Earnest Money	208.73	208.73
Consumer Security Deposits	1,284.14	1,020.07
Retention Money	7,956.22	6,100.56
Deposits against works	4,216.84	2,695.80
Total	21,368.29	17,932.58

Note : 5.1

The Deposits for prior period cannot be segregated due to unavailability of information. However from current financial year security deposits, retention money and deposits for Works have been duly segregated except for an amount of Rs 208.73 lakhs.



[Signature]
Director
Manipur State Power
Distribution Company Ltd.

[Signature]
Managing Director
MSPDCL

[Signature]
Company Secretary
MSPDCL

Note : 6

Deferred Tax Liabilities (Net):

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Deferred Tax Liabilities towards Fixed Assets	5,517.35	4,677.52
	5,517.35	4,677.52

Note : 7

Trade Payables:

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Sundry Creditors for Power	14,851.28	12,098.49
	14,851.28	12,098.49

Note 7.1 In accordance with the notification no GSR 719(E) dated 16.11.2007 issued by the Ministry of Corporate Affairs certain disclosures are required to be made relating to Micro & Small enterprise as defined under MSME Act 2006. The company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not available, disclosures in respect of the same is not made possible.

Note 7.2 Creditors Balance could not be confirmed for Power Trading Corporation as detailed statement for the period could not be obtained from them due to time gap and issue with their software

Note : 8

Other Current Liabilities:

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Current Maturities of Long Term Borrowings	251.97	82.01
Statutory Dues Payable	1878.81	1,466.13
Other Outstandings	962.35	280.05
Sundry Creditors for Expenses	965.62	1,020.44
Interest Payable	245.07	284.15
Balance Grants (Revenue) (refer note 26)	4799.37	3,439.77
Balance Grants (Capital)	7291.85	1,574.60
	16,395.05	8,147.16

In accordance with the Notification No. GSR 719 (E) dt. 16-11-2007, issued by the Ministry of Corporate Affairs, certain disclosure are required to be made relating to Micro and Small Enterprise as defined under Micro, Small and Medium Development Act 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosure have been made in the Accounts.

Note : 8.1

Sundry Creditor for Capital Goods is the amount due towards Capital Expenditure on account of Fixed Assets. The same has been incorporated in the books based on the report submitted by the Technical Consultants and information collected from the Department Officials.

Note : 8.2

As per the transfer scheme, terminal benefits of the employees deputed to the company will be borne by the Govt. of Manipur unless option has not been exercised by the deputationist for absorption into regular services of the company as on date of balance sheet non of the deputed employees has opted for absorption. Therefore Liability for retirement benefits has not been provided. In respect of the employees appointed by the company, the company has joined NPS scheme. Since it is not clear at Balance Sheet date as to how many employees would opt for absorption, these liabilities will be borne by the Govt. of Manipur. Once employees opt for absorption at the end of deputation period, then the liabilities for absorbed employees would be transferred to the company as per the Manipur State Electricity Reforms Transfer Scheme 2013.

Note: 8.3 Other Outstandings pertains to Payments received for which the particulars are not furnished by the payers.



Director
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Distribution Company Ltd.

Managing Director
MSPDCL

Company Secretary
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MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED **Notes Forming Part of Financial Statements for the Year ended 31.03.2017**



Note : 9

Fixed Assets :

(Amount Rs. in Lakhs)

Particulars	Gross Block			Opening Balances as at 01-04-2016	Closing Balances as at 31-03-2017		Accumulated Depreciation		Closing Balances as at 31-03-2017		Net Block	
	Opening Balances as at 01-04-2016	Additions	Disposals/ Reversal		Closing Balances as at 31-03-2017	Opening Balances as at 01-04-2016	Charged during the period	Amortisation of Capital Reserve	Closing Balances as at 31-03-2017	Closing Balances as at 31-03-2017	Closing Balances as at 31-03-2017	Closing Balances as at 31-03-2017
Tangible Assets												
-Distribution Assets												
Plant & Machinery	54,070.64	9,057.40	-		63,128.04	2,989.05	1,127.02	257.15	4,373.23	58,754.81	51,081.59	
Building	2,287.75	679.00	-		2,966.75	75.46	27.54	8.79	111.79	2,854.96	2,212.29	
Furniture & Fixings	93.63	20.02	-		113.66	22.06	3.18	5.04	30.27	83.38	71.58	
Computer	128.10	37.02	-		165.11	6.36	5.42	55.31	67.09	98.02	121.74	
Heavy Equipments	5.48	-	-		5.48	-	-	-	-	5.48	5.48	
Heavy Vehicle	10.16	77.81	-		87.98	2.61	0.66	3.01	6.27	81.71	7.56	
Office Equipments	4.02	-	-		4.02	3.66	0.12	-	3.78	0.24	0.36	
Vehicles	114.77	458.90	-		573.67	46.72	9.84	24.94	81.50	492.17	68.05	
Land	35.36	-	-		35.36	-	-	-	-	35.36	35.36	
Software	16.34	43.68	-		60.02	12.48	3.86	11.46	27.81	32.21	3.86	
-Generation Assets												
Plant & Machinery	4,925.08	-	-		4,925.08	347.86	125.33	-	473.19	4,451.89	4,577.22	
Building	1,347.89	-	-		1,347.89	61.05	22.35	-	83.40	1,264.49	1,286.84	
Furniture & Fixings	2.82	-	-		2.82	1.83	0.72	-	2.56	0.26	0.98	
Computer	0.10	-	-		0.10	0.10	-	-	0.10	-	-	
Office Equipments	4.79	-	-		4.79	4.69	0.10	-	4.79	-	0.10	
Vehicles	3.14	-	-		3.14	2.33	0.44	-	2.77	0.37	0.81	
Total	63,050.07	10,373.83	-		73,423.90	3,576.27	1,326.58	365.69	5,268.55	68,155.36	59,473.80	
Previous Year	55,465.82	7,584.25	-		63,050.07	2,206.19	1,335.62	34.46	3,576.27	59,473.80	59,473.80	
Capital Work in Progress												
										1,06,532.10	82,462.54	

Note : 9.1

Long term Tangible assets are held for business use and are not expected to be converted to cash in near future.

Note : 9.2

Capital Work in Progress represents the amount paid to Creditors of On-Going Projects/Works. It does not include those works which are complete but not measured and measured but not billed.

Note : 9.3

Assets aforementioned do not include value of land & building which are in use and are proposed to be taken on lease basis to the company by Govt. of Manipur.



[Signature]
 Director
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[Signature]
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 MSPDCL

Note : 10
Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Stores & Consumables	1,150.78	1,678.89
	1,150.78	1,678.89

Note : 10.1

Stock of stores has been valued at Cost.

Note : 11

Trade Receivables :

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Trade Receivables (Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding Six Months from the due date	43,939.61	42,797.33
Others	3,119.70	1,850.73
Less: Provision for doubtful debts	4,311.24	4,311.24
Total	42,748.07	40,336.81

Trade receivables has been segregated between more than six months and others on the basis of collections received from October to March 2017, assumed that total collection received during this period is 80% for the current period billing and balance amount collected was related to earlier period billing in the absence of proper segregation of Trade receivables. The proper segregation of trade receivables outstanding for a period exceeding six months is under process.

Note : 12

Cash & Cash Equivalents:

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Balances with banks	18,500.54	15,108.43
Cheque/DD- in hand	-	176.12
Cash in hand (As certified)	112.22	19.15
Total	18,612.76	15,303.69

Note : 13

Short Term Loans & Advances :

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Deposits*	447.67	447.67
Total	447.67	447.67

* Deposits represents the amount already disbursed by the Govt of Manipur for defined expenditure however, the same has been deposited in Treasury.

Note 14

Other Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Employees Contribution To NPS receivable	53.68	53.68
Tax Deducted at Source	127.40	78.65
Accrued Interest on Sweep Accounts	162.15	140.44
Total	343.23	272.78



[Signature]
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[Signature]
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MSPDCL


Note : 15

Revenue from Operations

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Sales- Distribution	19,517.85	14,976.86
Sales- IEX & Deviation	4,442.36	4,311.73
Total	23,960.21	19,288.59

Note : 16

Other Income

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Interest Income	305.12	195.25
Grant in Aid-Revenue (Refer Note 26)	25,596.58	28,686.33
Agency Charges@3.75%	424.48	419.15
Others	14.08	14.11
Total	26,340.26	29,314.85

Note : 17

Employee Benefits Expense

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Salaries(Regular & Contractual)	7,174.70	6,447.93
Employers Contribution To NPS	-	42.44
Total	7,174.70	6,490.38

Note : 17.1 Provision for Gratuity and Leave encashment have not been made as per policy of the company.

Note : 18

Other Expenses

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Auditors Remuneration	0.40	0.23
ROC Filing Fees	-	0.60
Advertisement Expenses	-	88.18
Bank Charges	7.17	3.78
Consultancy Charges	68.31	67.40
Ex-Gratia Payment	-	5.11
JERC Fees & Exp	15.15	10.30
Office Expenses	276.82	48.09
Operation & Maintenance Exp	10.49	48.50
Legal Fees and Charges	0.18	0.43
Mass Regularisation Drive	-	1.34
Recruitment and Training	-	33.31
Printing & Stationery Expenses	14.16	58.06
Repair & Maintenance Expenses (Plant & Machinery)	353.09	60.74
Repair & Maintenance Expenses (others)	24.07	101.41
Stores & Consumable	308.52	4,002.68
Prepaid Vending Charges	56.63	-
Telephone Expenses	-	17.38
Travelling Exp	-	34.19
Vehicle Hire Charges	1.11	437.70
Interest and Penalty	0.18	30.55
Total	1,136.27	5,049.97




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Note : 18.1

Payment made to the Auditor during the year

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
As Auditor	0.40	0.23
Total	0.40	0.23

Note : 19

Earning Per Share

The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning Per Share for the year ended 31st March 2017 :

Particulars	As at 31st March 2017	As at 31st March 2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Profit/Loss after tax available to Equity Shareholders	(1,458.61)	(1,950.35)
Weighted Average Number of Share	1,00,50,000	1,00,50,000
Basic EPS (Amount in Rupees)	(14.51)	(19.41)
Diluted EPS(Amount in Rupees)	(14.51)	(19.41)
Face Value of per Equity Share(Amount in Rupees)	10.00	10.00

Note : 20

Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.


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Note No. 21

Disclosures in relation to related parties:

Pursuant to Accounting Standard - 18, related party disclosures, following are the related parties, description of the relationships and transactions carried out with them during the year in the ordinary course of business.

i) Name of Related parties and nature of relationship

Holding Company	Manipur State Power Company Limited
Key Managerial Personnel and their	Vineet Joshi (Chairman & Director) J Suresh Babu (Director) Ramasamy Sudhan (Managing Director) N Ashok Kumar (Director) N Sarat Singh (Director) Yengkhom Rameshchandra Singh (Director) Laishram Birdas Singh (Company Secretary) Moirangthem Bobby Singh (Chief Financial Officer)

ii) Disclosures in respect of transaction with related parties

(Rs in Lakhs)

Type of Transactions	Holding Company	Enterprises owned or significantly influenced by key management and /or their relatives	Key Managerial Personnel and their relatives
Transmission Charges	4,119.86	NIL	NIL

Note No. 22

Impairment of Assets :

In pursuance of AS- 28 " Impairment of Assets" issued by ICAI, the company has reviewed carrying cost of its Assets and the management is of the view that in the current financial year, Impairment of Assets is not considered necessary as all the assets are in good condition and realisable value is more than carrying cost.

Note No. 23

Segment Reporting :

The Company has only one business segment as it deals in only one end product. As such there is no separate reportable segment as required under AS-17 "Segment Reporting"




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Note No. 24

Contingent liabilities and Capital commitments (to the extent not provided for)

Contingent liabilities amount to Rs 315.55 lakhs (PY Rs 283.12 Lakhs) against pending Court Cases.

Capital commitments - Rs.29517.86 Lakhs(PY 45,684.29 Lakhs) have been committed as on balance sheet date to contractors for ongoing projects.

Note No. 25

Expenditure in Foreign Exchange: Nil

Earnings in Foreign Exchange: Nil

Note No. 26

Accounting treatment for Revenue grants

Particulars	2017	2016
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
Opening Balance of Revenue Grants	3,439.77	2,820.90
Received during the year	28,333.33	29,305.20
Less: Capital Exp -Trf to Capital Reserve	1,377.14	-
Remaining grants	30,395.96	32,126.10
Own Funds	23,960.21	19,917.11
Total Funds Available	54,356.17	52,043.21
Expenses	49,556.79	48,603.44
Balance (Transferred to Current Liabilities)	4,799.37	3,439.77

Particulars	Amount(in Rs)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	94,000	19,91,410	20,85,410
(+) Permitted receipts	11,27,66,567	42,00,400	11,69,66,967
(-) Permitted payments	-	40,16,423	40,16,423
(-) Amount deposited in Banks	11,28,60,567	-	11,28,60,567
Closing cash in hand as on 30.12.2016	-	21,75,387	21,75,387

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