



**MAHARASHTRA STATE POWER  
GENERATION COMPANY LIMITED**

**ANNUAL REPORT  
2014-2015**



## Annual Report 2014-2015

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## Maharashtra State Power Generation Co. Ltd.

### Board of Directors (from 01.04.14 up to AGM Date)

<b>Chairman &amp; Managing Director</b>	Shri Asheesh Sharma (w.e.f. 06.07.12 to 05.01.2015) Shri Bipin Shrimali (w.e.f. 05.01.2015)
<b>Director</b>	Shri Ajoy Mehta (w.e.f. 30.11.12 to 05.01.2015) Shri Mukesh Khullar (w.e.f. 04.02.2015)
<b>Director (F)</b>	Shri J.K.Srinivasan (w.e.f. 26.05.2014)
<b>Director (O)</b>	Shri Vijay Singh (w.e.f. 28.08.2013)
<b>Director (P)</b>	Shri C.S.Thotwe (w.e.f.28.08.2013)
<b>Director</b>	Smt Irawati Dani (w.e.f.26.06.2014 till date) Shri Vishwas Pathak (w.e.f. 21.07.2015)

## Directors' Report

Dear Members

Your Directors are pleased to present the 10th Annual Report and the audited annual accounts for the year ended 31st March 2015.

### Financial Results (Standalone)

(₹ in crores)

	2014-2015	2013-2014
MU's generated gross	49,313	44,473
Income		
Revenue from Sale of Power(net)	18,970	16,563
Other Income	267	84
Gross Income	19,237	16,647
Expenditure		
Cost of Material consumed	12,182	10,886
Other Exp	1,595	1,610
Employee Cost	1,415	1,116
Depreciation/ amortization	1,092	1,163
Finance Cost	1,953	1,711
Net Profit before tax,	1,009	320
Tax (net)	573	209
Net Profit after tax	436	111

### Financial Performance

During the year under review, the income from sale of power increased by 14.53% from ₹ 16,563 crores to ₹ 18,970 crores. Increase in revenue from sale of power was mainly due to MERC True up order for the earlier years as well as increase in generation due to new units. Other income during this period increased by 217.86% by ₹ 183 crores thereby making overall increase in total income by 15.56%. The cost of material consumed increased from ₹ 10,886 crores to ₹ 12,182 crores. The main reason for increase in this cost was increase in rate of coal as well as quantity consumed. The Finance cost increased by 14.14% from ₹ 1,711 crores to ₹ 1,953 crores mainly on account of full impact of interest burden on newly commissioned Bhusawal units and interest rate reset by PFC. Employee cost has risen from ₹ 1,116 crores to ₹ 1,415 crores (26.79%) due to increase in leave encashment and gratuity provision due to pay revision. Depreciation /amortization have decreased 6.10 % due to change in depreciation policy. The other expenses have decreased from ₹ 1,610 crores to ₹ 1,595 crores. As a result, overall profit is increased to ₹ 436 crores from ₹ 111 crores of previous year.

### Dividend

Though your company has consistently generated revenue surplus from operations year after year, your company has been finding it difficult to generate cash surplus on account of irregular and inadequate payments from sale of power to Mahadiscom.

In view of huge capital expenditure plans of the company and consequent requirement of equity funds for the same your Directors

have decided to plough back the cash surplus generated, if any, into the ongoing expansion and future capital expenditure schemes and hence not recommended dividend for the year under review.

## Operational Performance

The total Installed Capacity of Mahagenco was 11417 MW as on 31st March 2015.

- During the year 2014-2015, for coal-fired plants, the average availability factor was 78.74% as against 77.96% of last year.
- The plant load factor was 58.95% as against 54.75% of last year.
- The overhaul of 9 units was taken up during 2014-2015 as against overhaul of 8 units during 2013-2014.
- The planned outage & forced outage factor for the year 2014-2015 were 3.52% & 5.87% as against 6.91% & 6.88% for 2013-14.

Parli units could not be run due to water shortage for the periods mentioned below-

- a. Parli U-3 – 01.04.2014 to 04.02.2015
- b. Parli U-4 – 29.06.2014 to 02.10.2014
- c. Parli U-5 – 30.07.2014 to 02.09.2014
- d. Parli U-6 - 01.08.2014 to 02.09.2014
- e. Parli U-7 - 01.08.2014 to 02.09.2014

Following units were under economic shutdown as per MERC order dated 19-08-2014.

- a. Koradi U-5 - 19.08.2014 to 31.03.2015
- b. Chandrapur U-1 - 28.08.2014 to 31.03.2015
- c. Bhusawal U-2 - 13.09.2014 to 31.03.2015
- d. Parli U-3 - 05.02.2015 to 31.03.2015
- e. Koradi U-6 - 20.03.2015 to 31.03.2015

For gas based plants, average availability was 97.18% and PLF was 59.08% due to less gas receipt.

The other operational performance factors are as below:

- The Realization of Coal for the current year was 71.32% as against 68.90% of previous year.
- Specific coal consumption for the current year was 0.860 Kg/Kwh as against 0.880 Kg/Kwh of last year.
- The Boiler tube leakage percentage for the current year was 3.55% as against 2.81% of last year.
- Specific oil consumption for the current year was 1.20 ml/Kwh as against 3.71 ml/Kwh of last year.
- The auxiliary consumption was 9.79% as against 10.60% of last year.
- The average gross calorific value of coal fired during the year was 3012 Kcal/Kg.
- The heat rate for the current year was 2601 Kcal/kwh.
- The transit loss for the current year was 0.63% as against 1.02% for last year.

### Achievements:

1. Against CEA target (Thermal, Hydro & Gas) of 46330 MU, MSPGCL generated 49035 MU.
2. Improvement in performance of 500 MW units at Bhusawal led to decrease in aux. consumption over last year.

3. Improvement in GCV of coal led to improvement in heat rate. As against average MERC target of 2620 Kcal/kwh, MSPGCL thermal units achieved heat rate of 2601 Kcal/kwh.

There was considerable reduction in oil consumption . As against average MERC target of 1.81 ml/kwh, MSPGCL thermal units sp. oil cons. was 1.20 ml/kwh.

## Capacity Addition Programme

For meeting the power demand in the state of Maharashtra, Mahagenco is taking up implementation of various thermal power projects. Status of ongoing and future projects are as under:

### A. Ongoing Projects- 3230 MW:

#### 1. Chandrapur TPS Unit 8 & 9 (2 x 500 MW):

Unit 8:

- Unit Synchronisation: 11.01.2015
- Full Load Operation: 29.03. 2015
- COD (Expected)– November 2015

Unit 9

- Boiler Light up: 07.05.2015
- Full Load Operation (Expected): Dec-2015
- COD (Expected) –February 2016

#### 2. Koradi TPS Unit 8, 9 & 10 (3 x 660 MW):

Unit 8:

- Boiler Light up :11.09.2014
- Full Load Operation: 30.03. 2015
- COD (Expected) : November 2015

Unit 9

- Boiler Light up: 16.01.2015
- Full Load Operation (Expected): Dec- 2015
- COD(Expected) :January 2016

Unit 10

- Boiler Light up(Expected): Nov- 2015
- Full Load Operation (Expected):Mar –2016
- COD (Expected) :March 2016

#### 3. Parli TPS Unit 8 (250 MW):

- Boiler Light up: 22.05.2015
- Full Load Operation (Expected): December 2015 : Subject to availability of water
- COD (Expected) : February 2016 : Subject to availability of water

## B. Future Projects - 6090 MW:

### 1. Bhusawal Thermal Power Station Unit 6: (1x 660 MW)

- Government approval, Land, Water, Fuel, Environmental Clearance and Power Purchase Agreement available for the project.
- The ICB tender for 1 x 660 MW Bhusawal Project on EPC basis was invited and the bids received are scrutinized. The Bid evaluation report is submitted to Competent Authority for consideration and directives

### 2. Nashik TPS Unit 6: (1 x 660 MW)

- Government approval, Land, Water, Fuel and Power Purchase Agreement available for the project.
- Chimney Height Clearance: Conditional NOC Received from Ozar AA for chimney height of 280 M. Needs NOC from Station Commandant Deolali. Deolali authority recommended only 150 M Height of Chimney. Further communication for NOC from Deolali authority is in progress.
- Application for final EC submitted to MoEF.
- Preparation of tender specification is in progress.

### 3. Paras Thermal Power Project Unit 5: (1 x 250 MW)

- Board has, in its meeting held on 30.05.2012 accorded administrative approval for installation of 1 x 250 MW at Paras. Correspondence with GoM for approval of the project is in progress.
- Land, Water, Fuel and Power Purchase Agreement available for the project.
- MoE&F clearance: Application for Public Hearing was submitted to MPCB on dt.21/06/2014 & 02/07/2014 Online application for extension of validity of ToR is submitted to MoEF on date 15/09/2014.

### 4. Dondaicha TPS Unit – 1, 2, 3, 4 & 5: (5 x 660 MW)

- Board has, in its meeting held on 30.07.2014, accorded in-principle approval of implementation of the project by forming a joint venture company with NTPC Ltd. Correspondence with GoM for approval of the project is in progress.
- Water, and Power Purchase Agreement available for the project.
- Land acquisition is in progress.
- Fuel: Fuel linkage not available.
- Ministry of Environment & Forests: The process of getting clearance from MoE&F is in progress.

### 5. Uran Gas Based Combined Cycle Power Plant (1220 MW): (Block-I : 406 MW, Block-II: 814 MW)

- Government approval, Land, Water and all other clearances available.
- Tender for Lump sum turnkey contract for installation of 1220 MW advance class gas turbine based CCPP which was issued on 28.01.11, cancelled in view of CEA's Circular dt.19.03.2012 in respect of non-availability of domestic gas for the gas based projects and advised not to plan gas based project till 2015-16.

## Solar Power Generation

Under the guidelines of MNRE Govt of India and JNNSM Mahagenco has started implementation of Solar projects at various places in Maharashtra. Accordingly Mahagenco has commissioned 5 MW solar power project (1+2MW thin film project and 2MW crystalline project) at Chandrapur on 31.3.12 and also commissioned 125MW Solar power project at Shivajinagar Tal. Sakri, Dist.

Dhule on 31.3.13. 36.33 MW Solar SPV Power Project at Shirsuphal, Baramati Dist. Pune is commissioned on 19.12.2014 and 14MW Solar SPV Power Project is commissioned on 31.03.2015 at Shirsuphal, Baramati. These 50.33 MW Projects are executed under PPP Model. Under “New Renewable Policy-2015” of GoM, Mahagenco has to develop 2500 MW Solar Power Projects in Maharashtra on PPP basis in next 5 years. For development of 2500 MW Solar Projects, preparation of roadmap and methodology is under process through a PMC Consultant.

## Financing of New Projects

All the planned capacity addition programs will be financed with a debt to equity ratio of 80:20. Your company would utilize the revenue resources, to the extent available cash, for part of equity contribution in the expansion project. Up to 80% of the total project cost is to be financed by financial institutions and Banks, while 20 % equity will come from the Government of Maharashtra.

## Fuel Availability

### 1. Mahagenco’s Coal Requirement :

Mahagenco’s installed thermal capacity for FY-2014-2015 was 7980 MW for which Mahagenco’s annual Coal requirement was 46.504 MMT. Mahagenco receives coal through domestic, e-auction and import mode.

### 2. Fuel Supply Agreements:

The Annual Contracted Quantity from coal companies as per New Coal Supply Agreements after ‘Internal Swapping’ is as follows:

Fig. in Th. MT

TPS	WCL	MCL	SECL	SCCL	Total
Koradi	615	1580	3105	0	5300
Nasik	3689	0	1011	0	4700
Bhusawal	2800	2312	2312	0	7424
Parli	3528	0	0	2260	5788
Chandrapur	10365	1525	910	0	12800
Paras	1800	1204	0	0	3004
K’kheda	1432	3879	2001	0	7312
Mahagenco	24229	10500	9339	2260	46328

### 3. Coal shortages from various coal companies:

Since last few years, Mahagenco is facing an overall deficit of more than 25% in terms of coal supplies from CIL subsidiaries i.e. M/s WCL, MCL and SECL. In the financial year 2014-2015 overall coal deficit was about 29.38 % in terms of less materialization.

Coal Company wise Coal Supply and shortage for year 2014-2015:

Coal Company	Linkage (MMT)	Receipt (MMT)	Shortage (MMT)	% Shortage
WCL	22.701	18.512	4.189	18.45
MCL	15.516	7.798	7.718	49.74
SECL	6.027	4.380	1.647	27.32
SCCL	2.260	2.151	0.109	04.82
<b>Total</b>	<b>46.504</b>	<b>32.84</b>	<b>13.664</b>	<b>29.38</b>

As against a total allocation of 46.504 MMT in the year 2014-2015, Mahagenco has received 32.84 MMT. This is only 70.62 % of our requirement leading to short supply of coal to the tune of 29.38 % (13.664 MMT). Mahagenco is constantly pursuing the matter with coal companies and the concerned Railways to enhance the coal supplies.

In order to reduce for gap of quantity and quality of coal, Mahagenco has resorted to imported coal and purchasing specific quantity of import coal as per the CEA guidelines.

#### 4. Import Coal:

For Year 2014-2015, CEA/MoP has allocated target of 3.5 MMT. Mahagenco had placed orders for supply of 2.668 MMT non-cocking (steam) coal of foreign origin of GCV (ARB)- 4400 to 4800 Kcal/Kg and GCV (ADB) -5300-5800 Kcal/kg for Bhusawal TPS (Unit-4&5), Khaperkheda TPS(Unit-5) and Chandrapur TPS (Unit-5 to7) of Mahagenco. Quantity of import coal received was 2.349 MMT against schedule of 2.668 MMT.

#### 5. Internal Swapping of Coal linkages :

In line with the suggestions of IMTF, Ministry of Coal recommended internal swapping for Bhusawal, Khaparkheda and Parli TPS of Mahagenco vide report of the new Inter-Ministerial Task Force (IMTF) on rationalization of source of coal to Power Sector, dated 2nd February, 2015. After Implementation of internal swapping from April-2015, the coal supply from the coal companies is improved and a saving @ ₹ 182 Crores per year is expected due to reduction in coal transportation cost.

#### 6. Coal blocks allocated to Mahagenco:

##### Mahajanwadi coal block :

The Ministry of Coal has allotted Mahajanwadi Coal block jointly to MSPGCL and GSECL in the coal share ratio of 50:50 under allocation of New coal blocks to Govt. Companies through e-auction route by competitive bidding of coal mines rule 2012. The total coal reserve of this block is 340 MMT. Bhusawal (660MW) and Nasik(660MW) replacement projects of Mahagenco are linked with Mahajanwadi coal block.

##### Gare Palma-Sector II coal block:

Ministry of Coal, Govt. of India vide letter dtd 24.03.2015 has allocated Gare Palma Sector-II coal block to Mahagenco for its End Use Projects viz. Chandrapur Unit 8 & 9 (2x500 MW), Koradi Unit 8, 9 & 10 (3x660 MW) and Parli Unit 8 (1x250 MW). Mahagenco has signed Allotment Agreement for Gare Palma Sector-II coal mine on 30.03.2015. Allotment Order was received on 31.08.2015 from MoC, GoI.

#### 7. Gas Supply for Existing GTPS Uran Plant.

MAHAGENCO's GTPS Uran power plant has an installed capacity of 672 MW. Mahagenco has signed long term Gas Sale and transmission Agreement (GSTA) with M/s GAIL for supply of 3.5 MMSCMD gas to Uran existing plant at Govt. approved price. Further, Mahagenco had signed Gas Sale and Purchase Agreement (GSPA) with M/s RIL (& others) for supply of 1.2 MMSCMD gas from KG-Basin at Govt. approved price to existing Uran plant. But, there is full curtailment of KG basin gas (RIL gas) supplies from March 2013. For FY 14-15, the average gas receipt (APM + Non-APM) is about 2.28 MMSCMD and for FY 2015-2016, the average gas receipts (APM + Non-APM) till September-2015 is about 1.55 MMSCMD. Thus, there is shortfall of about 1.95 MMSCMD. Due to this short fall of gas, at present the loss of generation is @ 400 MW.

#### EXTRACT OF ANNUAL RETURN

Extract of Annual return as provided under sub-section (3) of the section 92 is attached in Form MGT-9 with report enclosed as **Annexure-I**

#### NO OF BOARD MEETINGS

During the year 2014-2015, 9 Board meetings were held by the Company.

**POLICY ON APPOINTMENT OF DIRECTORS**

Appointment of directors including independent directors is made by MSEB Holding Co. The qualification and other criteria for appointment of functional directors are provided in Articles of Association of the company.

**PARTICULARS OF LOANS, GUARANTEE AND INVESTMENT U/S 186**

As the Company is engaged in business of providing infrastructural facilities, the provisions of section 186 of Companies Act 2013 related to loans made, guarantees given or securities provided are not applicable to the company. Particulars of investment made are provided in Note 9 in stand alone financial statements.

**PARTICULARS OF CONTRACT WITH RELATED PARTY**

The Company sells whole of power generated by it to its sole customer M/s. Maharashtra State Electricity Dist. Co. Ltd. one of the subsidiary of MSEB Holding Co. Ltd. The rates of electricity sale is determined by Electricity Regulator i.e. Maharashtra Electricity Regulatory Commission as per the provisions of Electricity Act, 2003.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF COMPANY OCCURRED BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT**

There are no material changes and commitment affecting the financial position of the company between the end of financial year and date of report.

**HUMAN RESOURCES MANAGEMENT**

Employees are the most precious asset of an organization and favorable environment is necessary to encourage creativity, innovation and performance excellence amongst them. Your company has focused its efforts to enhance the capabilities of employees to develop competent, trained and multi- disciplinary human capital in Mahagenco so as to meet the challenging assignments. Your company strongly believes in achieving organizational excellence through human resources and follows “People First” approach to leverage the potential of its employees to fulfill its business plan.

**INDUSTRIAL RELATIONS**

Employee relations in the Company continued to be cordial and harmonious during the year. Employees were encouraged to participate in the areas concerning their work conditions, welfare etc. Work shops for employee representatives from the projects were held, at all levels to sensitize them to the changing business scenario, opportunities, threats, challenges faced by the company. The overall industrial relations scenario was peaceful governed by harmony and mutual trust.

**DIRCTORS**

Shri Bipin Shrimali was appointed as Chairman & Managing Director of the company w.e.f. 05.01.2015 in place of Shri Asheesh Sharma. Shri Mukesh Khullar , Pr. Secretary (E), GoM was appointed as Director of the company w.e.f. 04.02.2015 in place of Shri Ajoy Mehta.

Shri Vishwas Pathak has been appointed as Director (Finance Expert) on the Board of your company w.e.f. 21.07.2015. Shri P.V.Page ceased to be Director of the Company w.e.f. 29.4.2015.

**AUDIT COMMITTEE**

The audit committee of Mahagenco consisted Shri P.V.Page, Chairman, Shri V.P.Singh Member and Smt. Irawati Dani as Member. Total 4 Meetings of the audit committee were held during the year FY 2014-2015. Shri Vishwas Pathak has been appointed as audit Committee Chairman in place of Shri P.V.Page who has resigned as Director of Company.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The company has constituted CSR Committee. The members of the committee are Shri Bipin Shrimali, Chairman, Shri C.S.

Thotwe, Member, Shri V.P. Singh, Member, Shri J.K. Srinivasan, Member and Smt. Irawati Dani. The company has CSR Policy approved by CSR Committee and Board. The policy covers following Aims and Objectives:

1. Improving socio-economic status of Project Affected Persons (PAPs).
2. Providing opportunities for sustainable improvement in the fields of income generation, health, education, water & electricity, sanitation, communication and such other fields.
3. To adopt a holistic approach to community development of Project Affected Areas and ensuring that the people of such areas improve or at least regain their previous standards of living.
4. Carrying out community development activities in a transparent and participative manner.
5. Ensuring participation and consultation with the local public representatives and setting up of institutional mechanisms for carrying out CSR activities in Project Affected Areas and Power Station Area.

A detailed report on CSR activities is enclosed as **Annexure-II**.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013 with respect to Directors Responsibilities Statement, it is hereby confirmed:

1. That the applicable accounting standards had been followed along with proper explanation relating to material departures; if any
2. That the selected accounting policies were applied consistently and 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 as on 31.3.2015
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities:
4. That the annual accounts were prepared on a “going concern basis.”
5. The directors had devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information relating to conservation of energy , technology absorption and foreign exchange earning and outgo as required under sec 134 (m) of the Companies Act 2013 read with rule 8(3) of the Companies (Account) Rules 1988 is given in **Annexure-III** forming part of this report.

#### **REPLIES TO OBSERVATIONS / COMMENTS OF STATUTORY AUDITORS**

Replies to Auditor Observations and Comments by the statutory auditors in their audit reports are given in **Annexure-IV**.

#### **FIXED DEPOSITS**

The Company has not invited/received any Fixed Deposits from the Public during the year under report.

#### **COST AUDITORS**

The Company has appointed M/s. V. J. Talati & Co and M/s R. Nanabhoy & Co, Cost Accountants as Joint Cost Auditors for the year ending 31.3.2015 subject to approval of Ministry of Corporate Affairs, Govt. of India.

#### **STATUTORY AUDITORS**

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s Borkar Mazumdar & Co, Mumbai, M/s Ummed Jain & Co, Mumbai and M/s M. P. Chitle & Co, Mumbai were appointed as Joint Statutory Auditors for the Financial Year 2014-2015.

#### **SECRETARIAL AUDITORS**

The Board has appointed M/s. S. K. Jain & Co., PCS, 13/16, Kapadia Chambers, Ground Floor, 599, J.S.S. Road, Chira Bazar, Mumbai – 400 002 as Secretarial Auditor of the Company for the Financial Year 2014-2015. The Secretarial Audit Report is enclosed in **Annexure-V**.

#### **ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation for the assistance and co-operation extended by various Central and State Government Departments /Agencies, Financial Institutions and Banks, Statutory Auditors, Cost Auditors C&AG, New Delhi, AG (Commercial), Mumbai, Central State Electricity Regulatory Authorities, Appellate Tribunal and shareholders of the company. The Board also wishes to place on record its appreciation for sincere and dedicated work of all employees

On Behalf of the Board of Directors

(Bipin Shrimali)

**Chairman & Managing Director**

Date: 10.12.2015

Place: Mumbai

## Annexure 'A' to the Director's Report

### Particulars Required Under The Companies (Accounts) Rules, 2014

#### A. ENERGY CONSERVATION:

Following are the Energy saving activities carried out during year 2014-2015

- In house Energy audits in areas like Compressed air, Feed water, Cooling water system, heaters etc.
- Staff awareness / training programmes were conducted at power stations.
- Awareness is created by Poster / essay competition on energy conservation.
- Mahagenco have fleet of Engineers who are Energy auditors and certified Energy managers. Whose Knowledge is used in day-to-day working of the plant O&M.
- Distribution of CFL lamps to employees free of cost 2 times every year. Distribution of LED Bulbs to employees at concessional rate.

#### Auxilliary Power Consumption:

- Accurate assessment of Auxiliary consumption by using 0.2 class Energy meters.
- Maximum use of day light.
- Avoiding idle running of equipment / machine.
- Modification of lighting system using energy efficient lamps.
- Arresting leakages in compressed air, steam piping, cooling water system and electrical systems.
- DM water flow meters are installed
- Natural cooling arrangement for GT Units at Uran.
- Condition monitoring & timely preventive maintenance schedule of auxiliaries

#### Lighting

- Replacement of HPMV lamps with HPSV lamps
- Use of Electronic ballasts & CFL lights
- Individual ON / OFF lighting switches provided wherever possible at Service Building Staircases & Turbine basement areas.

#### Heat Energy

- Proper attention on On-line condenser tube cleaning system.
- Prompt repairs of Thermal insulation.
- Cleaning of Air-preheaters and furnaces whenever possible.
- Monitoring of optimization of Boiler excess air.
- Heat rate is monitored on regular basis at SE / GM / CGM levels Weekly / fortnightly / monthly respectively.

**Lubricants:**

- Zero leakage concept is introduced at all power stations.
- Oil skimmers designed and developed to recover fuel oil from drains.
- Turbine and BFP oil filtration by centrifuging at Bhusawal & Nasik TPS.

**DM Water**

- DM water, Feed line & Steam leakages are attended on priority.
- Sonic boiler tube detection system is installed at Khaperkheda TPS.

**Miscellaneous Water**

- Ash water recycling systems at Koradi, Nasik, K'Kheda, Chandrapur TPS.
- Firefighting water headers brought to ground level from underground to attend leakages

**B. TECHNOLOGY ABSORTION ADAPTATION AND INNOVATION**

- a. Efforts made in technology absorption.

**Form of disclosure of particulars with respect to absorption**

- Installation of Ammonia injection flue gas conditioning system (AFGC)
- Operating system is upgraded (DCS) at Parli TPS Unit 3.
- Implementation of 'E' tendering concept for material procurement at Mahagenco H.O. & Power Stations.

**Research and Development (R & D)****1. Specific areas in which R & D carried out by the Company**

Ozonisation of Cooling Water, AFGC System, Islanding and Black start facility at Uran, Niracon Acoustic cleaning system at Air Heaters, Tube leakage detection system for tube leakages, Adoption of MPSP system to coal mills, Oil filtration & Oil skimmer machines for reuse of oil & recovery of spilled oil.

**2. Benefits derived as a result of the above R & D**

**Ozonisation:** Less operational cost against conventional method, reducing corrosion level in Metal, safe for handling. It is effective for eliminating the Legionella Bacterial level in Cooling Water System.

**AFGC:** SPM level of TPS is maintaining below 150 MG/nm<sup>3</sup> as required by Pollution Control Board Norms.

**Islanding System:** In case of system disturbance /failure, Islanding Scheme will come into service and GTPS local as well as area will isolated from the grid.

**Black Start Facility:** In case there is jerk in the grid and simultaneously failure of Islanding system, it will be possible to bring back the units and restore the supply in this area in shortest time.

**3. Future plan of action**

AFGC systems for more units of TPS.

Installation of online energy management.

**4. Expenditure on R & D**

Nil

- b. The Company has not utilized any imported technology.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a. Activities relating to export, initiative taken to increase exports, development of new export markets for products and services and export plans.

Nil

- b. Total foreign exchange used and earned

Total Foreign Exchange used /earned		₹
1.	Foreign Exchange Outgo	
	a) Value of capital goods calculated on CIF basis	3,725,638,257
	Stores spares and components	4,811,134
2.	Foreign Exchange earned	Nil

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

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	U40100MH2005SGC153648
ii)	Registration Date	31.05.2005
iii)	Name of the Company	Maharashtra State Power Generation Co. Ltd.
iv)	Category / Sub-Category of the Company	Govt. Company
v)	Address of the Registered office and contact details	Prakashgad, Prof Anant kanekar Marg, Bandra (East), Mumbai-400051
vi)	Whether listed company Yes / No	NO
vii)	Name, Address and Contact details of Registrar and 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 1 . No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Generation	NA	100

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

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	MSEB Holding Co Ltd	U40100MH2005SGC153649	Holding	99.99	2(87)
2	Mahaguj Collieries Ltd.	U10102MH2006SGC165327	Subsidiary	60	2(87)
3	Dhopave Coastal Power Co. Ltd.	U40108MH2007SGC168836	Subsidiary	100	2(87)
4	Dhule Thermal Power Co. Ltd.	U40105MH2007SGC173433	Subsidiary	100	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	
b) Central Govt	0	0	0	0	0	0	0	0	

c) State Govt (s)	0	50000	50000	0.001	0	50000	50000	0.001	
d) Bodies Corp.	0	6808320164	6808320164	99.99	0	8057234564	8057234564	99.999	
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any Other....	0	0		0	0		0	0	
<b>Sub-total (A) (1):</b>	<b>0</b>	<b>6808370164</b>	<b>6808370164</b>	<b>100</b>	<b>0</b>	<b>8057284564</b>	<b>8057284564</b>	<b>100</b>	<b>18.34%</b>
<b>2) Foreign</b>									
a) NRIs -									
Individuals	0	0	0	0	0	0	0	0	
b) Other –									
Individuals	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	
d) Banks / FI	0	0	0	0	0	0	0	0	
e) Any Other....	0	0	0	0	0	0	0	0	
<b>Sub-total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>6808370164</b>	<b>6808370164</b>	<b>100</b>	<b>0</b>	<b>8057284564</b>	<b>8057284564</b>	<b>100</b>	<b>18.34%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									<b>N.A.</b>
a) Mutual Funds	0	0	0	0	0	0	0	0	
b) Banks / FI	0	0	0	0	0	0	0	0	
c) Central Govt	0	0	0	0	0	0	0	0	
d) State Govt(s)	0	0	0	0	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	
g) FIIs	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	
i) Indian	0	0	0	0	0	0	0	0	
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals	0	0	0	0	0	0	0	0	
i) Individual shareholders holding nominal share capital upto ₹. 1 lakh	0	0	0	0	0	0	0	0	
ii) Individual shareholders holding nominal share capital in excess of ₹. 1 lakh	0	0	0	0	0	0	0	0	
c) Others (specify)	0	0	0	0	0	0	0	0	
<b>Sub-total (B)(2):-</b>									

Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	N.A.
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>6808370164</b>	<b>6808370164</b>	<b>100</b>	<b>0</b>	<b>8057284564</b>	<b>8057284564</b>	<b>100</b>	<b>18.34%</b>

**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	MSEB Holding Co. Ltd. (State Govt. Co.)	6808320164	99.999	0	8057234564	99.999	0	18.34%
2.	State Govt.	50000	0.001	0	50000	0.001	0	NIL
	<b>Total</b>	<b>6808370164</b>	<b>100</b>	<b>0</b>	<b>8057284564</b>	<b>100</b>	<b>0</b>	<b>18.34%</b>

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	At the beginning of the year	MSEBHCL & State Govt.	6808370164	100		
	Allotment of shares (30.07.2014)	MSEBHCL	1248914400	18.34	8057284564	100
	At the End of the year	MSEBHCL & State Govt.	8057284564	100	8057284564	100

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	For Each of the Top 10 Shareholders					
	At the beginning of the year	MSEB Holding Co Ltd	6808320164	99.999		
		State Govt.	50000	0.001		

Allotment of shares (30.07.2014)	MSEB Holding Co Ltd	1248914400	18.34	8057234564	99.999
	State Govt.	0	0	50000	0.001
At the End of the year (or on the date of separation, if separated during the year)	MSEB Holding Co Ltd	8057234564	99.999	8057234564	99.999
	State Govt.	50000	0.001	50000	0.001

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>For Each of the Directors and KMP</b>					
At the beginning of the year	Shri Ajoy Mehta	49940	0.00198	49940	0.00198
	Shri J.K.Srinivasan (As Nominees of GoM)	10	0.00000039	10	0.00000039
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		NIL	NIL	NIL	NIL
At the End of the year	Shri Mukesh Khullar	49940	0.00198	49940	0.00198
	Shri J.K.Srinivasan (As Nominees of GoM)	10	0.00000039	10	0.00000039

V. **INDEBTEDNESS**

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

(Amt. in ₹ Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25,078.16	4,287.46	0	29,365.62
ii) Interest due but not paid	180.21	0	0	180.21
iii) Interest accrued but not due	353.6	5.76	0	359.36
<b>Total (i+ii+iii)</b>	<b>25,611.97</b>	<b>4,293.22</b>	<b>0.00</b>	<b>29,905.19</b>
Change in Indebtedness during the financial year				
• Addition	4920.53	264.40	0	5,184.93
• Reduction	453.65	2,504.81	0	2,958.46
Net Change	4,466.88	-2,240.41	0.00	2,226.47

Indebtedness at the end of the financial year				
i) Principal Amount	29545.04	2047.05	0	31592.09
ii) Interest due but not paid	168.95	0.00	0	168.95
iii) Interest accrued but not due	352.78	5.48	0	358.26
<b>Total (i+ii+iii)</b>	<b>30,066.77</b>	<b>2,052.53</b>	<b>0.00</b>	<b>32,119.30</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager					Total Amount
		Bipin Shrimali (CMD)	Asheesh Sharma (CMD)	J. K. Srinivasan (Director Finance)	C. S. Thotwe (Director Projects)	Vijay Singh (Director Operation)	
1.	Gross Salary						
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	451,120	1,960,350	2,114,763	2,380,944	3,177,345	10,084,522
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	310,157	343,487	480,155	1,133,799
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>451,120</b>	<b>1,960,350</b>	<b>2,424,920</b>	<b>2,724,431</b>	<b>3,657,500</b>	<b>11,218,321</b>
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

### B. Remuneration to Other Director:

Particulars of Remuneration	Name of Directors			Total Amount
	Shri P. V. Page	Smt. Irawati Dani	N.A.	
3. Independent Directors				
• Fee for attending board / committee / meetings	60000	35000		95000
• Commission	NIL	NIL	NIL	NIL
• Others, please specify	NIL	NIL	NIL	NIL
<b>Total (1)</b>	<b>60,000</b>	<b>35,000</b>		<b>95,000</b>
4. Other Non-Executive Directors	NA	NA	NA	NA
• Fee for attending board / committee / meetings				
• Commission				
• Others, please specify				
Total (2)	NIL	NIL	NIL	NIL

Total (B)=(1+2)	60000	35000	NIL	95000
Total Managerial Remuneration	60000	35000	NIL	95000
Overall Ceiling as per the Act	NA	NA	NA	NA

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Company Secretary	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,308,997	1,308,997
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	199,735	199,735
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>Total (A)</b>	<b>1,508,732</b>	<b>1,508,732</b>

**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)
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

**VIII. OTHER OFFICERS IN DEFAULT**

Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

On Behalf of the Board of Directors

(Bipin Shrimali)

**Chairman & Managing Director**

Date: 10.12.2015

Place: Mumbai

## FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company's CSR policy aims to actively contribute to sustainable socio-economic development of the local community and society at large, including its employees and their families, so as to improve the quality of life and to raise the Human Development Index in the state. The Company's CSR initiatives are focused in the areas of Education, Drinking Water Supply, Health Care, Environment, Social Empowerment, Infrastructural Development, Sports and Culture. The Company endeavors to enable inclusive development so as to help the communities around its projects to prosper in all walks of life. Company's CSR Policy is available on: <http://www.mahagenco.in/uploads/CSR/MSPGCL%20New%20CSR%20policy.pdf>

2. The Composition of the CSR Committee of the Board of Directors as on 31st March 2015:

Mr. Bipin Shrimali, CMD

Mr. Vijay Singh, Director (Op)

Mr. P. V. Page, Independent Director

3. Average net profit of the company for last three financial years: ₹ 482.60 Crores.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 5.32 Crores.
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: ₹ 5.33 Crores;
  - (b) Amount unspent, if any: Nil;
  - (c) Manner in which the amount spent during the financial year is detailed below.

Sr. No	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken.	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (₹ in Lakhs)	Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency
1	Construction of Toilet Box	Health Care	Paras	2.73	Direct Expenditure: 2.73	2.73	Direct
2	Awards in cash to 10th and 12th pass student	Education	Koradi	0.48	Direct Expenditure: 0.48	0.48	Direct
3	Drinking Water Supply	Drinking Water Supply	Koradi	94.63	Direct Expenditure: 94.63	94.63	Direct

4	Tree Plantation	Environment	Koradi	5.89	Direct Expenditure: 5.89	5.89	Direct
5	Construction of Road	Infrastructural Development	Chandrapur, Koradi	554.61	Direct Expenditure: 554.61	554.61	Direct
6	Construction of river ghat near pump house	Infrastructural Development	Paras	2.95	Direct Expenditure: 2.95	2.95	Direct
7	Construction of shopping complex	Infrastructural Development	Koradi	34.50	Direct Expenditure: 34.50	34.50	Direct
8	Construction of Samaj Bhavan	Infrastructural Development	Koradi	82.20	Direct Expenditure: 82.20	82.20	Direct
9	Prov. 150mm dia. Bore well & installation of 2HP submersible pump on bore	Drinking Water Supply	Koradi	1.02	Direct Expenditure: 1.02	1.02	Direct
10	Construction of Railway over bridge and dam	Infrastructural Development	Bhusawal	519.12	Direct Expenditure: 519.12	519.12	Direct
11	Hospital and Research Institute	Health Care	Koradi	9	Direct Expenditure: 9.00	9	Direct
	<b>TOTAL</b>			<b>1,307.15</b>	<b>1,307.15</b>	<b>1,307.15</b>	

\*Give details of implementing agency: NA

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report: N.A.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**(Bipin Shrimali)**

Chairman & Managing Director  
Chairman of CSR Committee

## Annexure 'B1'

### Statutory Auditors Report for FY 2014-15 and Management Replies Thereon

Sr. No.	STATUTORY AUDITORS REPORT	MANAGEMENT REPLIES
1.	<p><b>Report on the Financial Statements</b></p> <p>We have audited the accompanying standalone financial statements of MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (MSPGCL / the Company) which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.</p>	
2.	<p><b>Management's responsibility for the Financial Statements</b></p> <p>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 Standards notified under the Companies Act, 2013 ("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 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.</p>	<p>In pursuance to provisions of Companies Act, 2013, and Accounting Standards issued there under as applicable to the Company, the Financial Statements such as Balance Sheet and Statement of Cash Flow as on 31-03-2015 and Statement of Profit and Loss for FY 2014-2015 has been prepared by the Company.</p>
3.	<p><b>Auditor's Responsibility</b></p>	
3.1	<p>Our responsibility is to express an opinion on these financial statements based on our audit.</p>	<p>Information and supporting documents as demanded by auditors have been provided by the Company.</p>
3.2	<p>We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.</p>	

3.3	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.	
3.4	An audit involves performing procedures to obtain audit evidence about the amounts and 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.	
3.5	In making these risk assessments, the auditor considers internal control relevant to the Company's preparation and that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.	
3.6	We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statement.	
4.	<p><b>Basis for Qualified Opinion</b></p> <p>We invite attention to:-</p> <p>i. <i>Note No, 2 of Notes to Accounts regarding The Assets and Liabilities of the Company contain balances transferred under the transfer scheme as on 6th June, 2005 by The Maharashtra Electricity Reforms Transfer Scheme 2005. As per the information given to us, these balances of Fixed Assets, Non-current Assets, Current Assets, Non-current Liabilities and Current Liabilities as approved by MSEB Holding Company Ltd. have been incorporated in the company's books of accounts. Final transfer scheme is yet to be notified by the Government of Maharashtra. Any changes in these figures if made, at the time of final notification may have an impact on Balance Sheet and Profit &amp; Loss Account items.</i></p>	Final Transfer Scheme is under active consideration of Govt. of Maharashtra for finalization. Impact of changes on opening balances would be effected in the books of accounts by passing necessary entries upon issue of final notification by GoM.

	<p>ii. <i>As stated in note no.31 of Notes on Accounts the balances of loans and advances, deposits, Liability for supply of material, inventories and balances of coal companies are subject to confirmation from respective parties and / or reconciliation with subsidiary records, as the case may be. Pending such confirmation and completion of reconciliation, the consequential adjustments could not be made. Further, due to non-availability of account-wise overdue amounts beyond reasonable period for certain balances of loans and advances, the amount of provision required for a specific account, if any, could not be ascertained. In view of the same, we are unable to comment on the consequential impact on the status of these balances and the profit of the Company.</i></p>	<p>In legacy system separate subsidiary records were required to be maintained and the same were not getting generated as a part of the system which created issues of reconciliation. In the current year, Company has switched over to SAP integrated system wherein the vendor-wise, customer-wise, employee-wise balances payable and receivable etc. are available. As a part of operation of the system, the subsidiary records automatically get generated in Accounting System. However, since company was channelizing its efforts in backlog clearance and data entry issues, it could not devote much time on reconciliation of records due to time limitations. From ensuing year, all out efforts would be carried out to reconcile subsidiary records with the control ledger. As regards, balance confirmation, company has already issued balance confirmation letters at certain locations like Khaperkheda, Chandrapur, Nashik etc. During current year, company would ensure that balance confirmation letters are issued at all Accounting Units. Wherever the balances are un-linkable being too old, suitable action of write off / write back would be taken with proper justification so as to arrive at the clean balances tallying with control ledger in respect of above.</p>
	<p>iii. <i>As stated in note no. 32 of Notes on Accounts the loans and advances include ₹ 1,186.15 crore towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to ₹ 1,230.46 crore. Pending final passing of the bills, the Company has not set off the said liability against the advance paid. This has resulted in overstatement of the respective assets and liabilities of the Company. The impact of the above on the profit of the Company is not ascertained.</i></p>	<p>The payment of advances to coal company and their clearance is a continuous ongoing exercise. These advances and liabilities were pending to the tune of ₹ 5,500Cr. which were brought down to the level of ₹ 2,700 crs. and subsequently to the level of ₹ 1,900 crs. The said exercise of clearance of coal advances and liabilities would be further improved in FY 2015-16 thereby bringing down the advances and liabilities to the optimum level.</p>

	<p><i>in. The Company, in terms of Power Purchase Agreement with the Maharashtra State Electricity Distribution Company Limited(MSEDCL) has recognized income during the year of Surcharge being interest on delayed payment amounting to ₹ 1,051.04 crore under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to ₹ 1,775.84 crore as on March 31, 2015. Further, the Company is in the process of reconciling various invoices for the year and earlier years with MSEDCL amounting to a net difference of ₹ 4.02 crore. Considering the non acceptance of billing by MSEDCL and account reconciliation, we are unable to comment on the reliability of such income and the impact on; the profit of the Company for the year, the value of Trade Receivables the value of unbilled revenue and the Reserves and surplus.</i></p>	<p>MSPGCL has raised surcharge bills to MSEDCL as per the agreed terms of Power Purchase Agreement and are binding on MSEDCL. These are genuine and valid receivables. On the contrary, non-accounting of these bills has resulted into underbooking of expenses and liability by MSEDCL, to this extent. Company has carried out reconciliation with MSEDCL and the same has been shared with the Auditors in the reporting year.</p>
5.	<p><b>Qualified Opinion</b>  <i>In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and subject to our observations in point (i) to (iv) of para 4 above the effect of which on the profit for the year and net assets as at March 31, 2015 is unascertainable, 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 March 31, 2015, and its profit and its cash flows for the year ended on that date..</i></p>	<p>Company has maintained books of Accounts in conformity with the generally accepted accounting principles, standards and Rules &amp; Regulations applicable thereto.</p>
6.	<p><b>Emphasis of Matters:</b>  We draw attention to following notes:</p>	
	<p>a. Note no. 35(d) regarding non disclosure of the information required under accounting standard 19 "Leases" issued under the companies (Accounting standards) Rule, 2006 pending execution of the lease agreements with the Government of Maharashtra in respect of various hydro power generation facilities.</p>	<p>MSPGCL has accounted for lease rent on the basis of MERC order fixing lease rent for Hydro Power Stations owned by Government of Maharashtra.</p>
	<p>b. Note no. 35(a)(ii) regarding accounting of shortfall/excess if any, based on the provisional accounts of the CPF, in the absence of the requisite details and information. Our opinion is not qualified in respect of above matters.</p>	<p>Actuarial valuation of CPF investments could not be done since CPF trust could not provide the requisite details for valuation purpose, in a timely manner. However, the matter would be taken up with CPF Trust in the ensuing year.</p>
7.	<p><b>Repor on Other Legal and Regulatory Requirement:</b>  As required under Section 143(5) of the Companies Act, 2013, we give in the Annexure I, a Statement on the Directions issued by the Comptroller and Auditor General of India after complying the Suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the company.</p>	

8.	As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure II, a statement on the matters specified in paragraphs 3 and 4 of the Order.	
9.	As required by Section 143 (3) of the Act, we report that:	
	a. We have sought and <i>except for the possible effect of the matter described in sub-paragraph 4 of the Basis for Qualified Opinion above</i> , obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;	In pursuance to provisions of Companies Act, 1956, and Accounting Standards issued there under as applicable to the Company, the Financial Statements such as Balance Sheet and Statement of Cash Flow as on 31-03-2015 and Statement of Profit and Loss for FY 2014-2015 has been prepared by the Company.
	b. In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;	
	c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;	
	d. In our opinion, 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.	
	e. Being a Government Company, pursuant to the notification number GSR 829(E) dated October 21, 2003 issued by the Government of India, the provisions of Section 164(2) of the Companies Act, 2013 are not applicable to the Company..	
	f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	
	i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements.	
	ii. The Company does not have any long-term contracts which require it to make provision for material foreseeable losses. Also, the Company has not entered into any derivative contracts.	
	iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company..	

<b>Comments on directions u/s 143(5) of Companies Act 2013</b>																		
1.	If the company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process.	The company has not been selected for 'Disinvestment' purpose. Hence, the information sought is Not Applicable to the company.																
2.	To report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes the reasons thereof, and the amount involved.	During the course of audit and as per information and explanations given to us, there were no cases/instances of waiver/write-off of any loans/debts/interest etc., by the company during F.Y. 2014-2015.																
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government and other authorities?	The Company sends its inventories / materials to third parties only for maintenance operations or fabrication activities. As informed to us, the Company has proper records for such inventories. We have been informed that there are no assets received as gift from the Government during the year.																
4.	A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>Company discloses pending legal/arbitration cases as Contingent Liabilities as identified by the company. The age wise analysis of 367 pending legal / arbitration cases given below:</p> <table border="1"> <thead> <tr> <th>Age of cases</th> <th>No of cases</th> </tr> </thead> <tbody> <tr> <td>Less than one year</td> <td>33</td> </tr> <tr> <td>1 to 2 years</td> <td>55</td> </tr> <tr> <td>2 to 3 years</td> <td>17</td> </tr> <tr> <td>3 to 5 years</td> <td>38</td> </tr> <tr> <td>More than 5 years</td> <td>189</td> </tr> <tr> <td>Others unattended</td> <td>35</td> </tr> <tr> <td>Total</td> <td>367</td> </tr> </tbody> </table> <p>Cases are generally pending due to (i) hearing are in process or not yet completed for the want of additional details/documents required by arbitrators/courts (ii) non fixation of dates or stay granted by the courts. The company keeps the details of expenditure incurred for each case.</p>	Age of cases	No of cases	Less than one year	33	1 to 2 years	55	2 to 3 years	17	3 to 5 years	38	More than 5 years	189	Others unattended	35	Total	367
Age of cases	No of cases																	
Less than one year	33																	
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2 to 3 years	17																	
3 to 5 years	38																	
More than 5 years	189																	
Others unattended	35																	
Total	367																	
<b>Comments on Sub-directions u/s 143(5) of Companies Act 2013</b>																		
5.	In the cases of Thermal Power Projects , compliance of various Pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.	The Company has represented that it has complied with the requirements of various pollution control acts including utilization and disposal of ash during the year 2014-2015. The above information regarding compliance of various Pollution Control Acts and the impact thereof including utilization and disposal of ash has not been independently verified by us.																

6.	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?	No, company has not entered into revenue sharing agreements with private parties for extraction of coal.
7	Does the company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc, are properly recorded in the books of accounts?.	Yes, company has the system for reconciliation of quantity/quality of coal ordered and received. However the current process needs to be strengthened. Company recognizes the liability of coal on the basis of grades mentioned in suppliers' invoice instead of the grade determined by its internal chemist in the respective unit. Claim for coal grade slippage has been made on the basis of coal grade differences observed at loading end by Companies representative and suppliers representatives jointly vis-à-vis Grade allocated to Colliery.
8.	How much share of free power was due to the State Govt. and whether the same was calculated as per the agreed terms and depicted in accounts as per accepted accounting norms	As informed by the Company, there is no share of free power to the State Govt., under any agreement.
9.	In the case of Hydroelectric Projects the water discharge is as per policy /guidelines issued by state govt. to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.	Water discharge is governed by Water Resource Department (WRD) of State Govt., and as informed, the company has no role in the same. No penalty has been payable/paid towards water discharge.

## Annexure 'B2'

### Replies to Statutory Auditors Report for FY 2014-15

Sr. No.	STATUTORY AUDITORS REPORT	MANAGEMENT REPLIES
1.	<b>In respect of its fixed assets:</b>	
	a. <i>The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset except in case of few assets at certain locations where item wise particulars and codification of fixed assets are in process of matching with the fixed asset register.</i>	While the accounting effect has already been completed, the task of updation of Fixed Assets Register on the basis of accounting entries is in progress at certain locations. The complete asset data base has been uploaded in SAP system and the register is available for verification in the system.
	b. As informed to us, the Company has a policy of conducting physical verification of fixed assets once in three years. During the year, no physical verification of fixed assets was conducted by the management being the rest year.	
2.	<b>In respect of its inventories:</b>	
	a. As explained to us, the inventories were physically verified by the management at reasonable intervals during the year. The physical verification of inventory was carried out by the management.	In case of coal inventory, regular verification is carried out by the company. Further, Company has carried out physical verification of stores inventory as annual exercise and the discrepancies observed in this process have been properly accounted for.
	b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.	
	c. On the basis of our examination of records of inventory, <i>subject to our remark in para 4(ii) of our main Audit Report regarding non-reconciliation of the balances with subsidiary records</i> , in our opinion, the company has maintained proper records of inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were adjusted appropriately in the books of account..	
3.	As per the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 during the year. Consequently, the provisions of Clause (iii)(a) and Clause (iii)(b) of paragraph 3 of the Order are not applicable to the Company.	Since company has not taken nor granted loan to firms listed under section 189, the said related party disclosure is not applicable to the company

4.	(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchase of inventory & fixed assets and sale of power. <i>However, there is need for further improvement of Internal Control with regard to handling of scrap and internal control with regard to applying the appropriate rate of tariff to units of power sold.</i>	Company does not conduct the physical verification of scrap as part of annual inventory verification since the same not being inventory in terms of Accounting Standard -2. However, the verification and lot-wise quantification of scrap is done at the time of periodic auction process carried out at respective power stations. As regards energy billing, company has separate Department viz Regulatory & Commercial Department to monitor, analyse and control the revenue billing. The same would be brought under the ambit of internal audit, in the ensuing year.
5.	According to the information and explanation given to us, the company has not accepted deposit from the public within the meaning of the provision of section 73 to 76 of Companies Act, 2013 and rules thereunder.	Company has not accepted deposits from the general public during the year.
6.	The Central Government has prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013. We have broadly reviewed such relevant records of the Company and in our opinion and according to the information and explanation given to us prima facie the Company has made and maintained the prescribed records. We have, however not made an examination of the cost records required to be maintained under Companies (Cost Accounting Records) Rules 2014 with a view to determine whether these are accurate or complete.	Company maintains the Cost Records as required under Section 148(1) of the Companies Act, 2013 and the audit of such records is conducted by Cost Auditors appointed by the Company.
7.	In respect of statutory dues:	
	a. According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Wealth Tax, Service Tax, duty of Customs, duty of excise, Value Added Tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Wealth Tax, Service Tax, duty of Custom, duty of excise, Value Added Tax, Cess, were outstanding, as at March 31,2015 for a period of more than six months from the date of becoming payable.	Company is punctual in payment of legitimate statutory dues and taxes except the tax dues under dispute.
	b. According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following:-	

	Name of the Statute\	Nature of the dues	Amount (₹)	Period to which amount relates	Forum at which dispute is pending
	Central Excise Act	Duty on fabricated materials	2,670,375	2005-06 (Since inception of the company)	commissioner of central excise, Nagpur
	Income Tax Act	TDS on Service Tax	895,000	2009-10	ITAT, Pune Bench
	Central Sales Tax Act	MVAT	3,540,717	2005-06	Commissioner of Sales Tax (Appeals), Nagpur
	Central Excise Act	Duty levied on the fabrication of structural steel items	30,100,000	1991-1992 to 1994-95	Commissioner of Sales Tax (Appeals), Nagpur
	Asstt. Commissioner of Income Tax	Concealment of income	1,073,215,440	AY 2007-08	ITAT, Mumbai
	c. The Company is not required to transfer amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and Rules made thereunder.				
8.	The Company is not required to transfer amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and Rules made thereunder.				Company has not incurred any cash loss during the current and previous year, neither there have been any accumulated cash losses.
9.	In our opinion and according to the information and explanation given to us, the Company has generally not defaulted in repayment of dues to the banks and financial institutions except in Power Finance Corporation Ltd. ₹ 109.98 crores for principal and ₹ 5.66 Crores for interest which were overdue by 76 days as on March 31, 2015. The Company has not borrowed any sum through debentures.				As a part of CARO report, auditors have to report on default in loan servicing by the company. In case of PFC Ltd., there has been incidence of default in timely debt servicing similar to that of delays in payments to trade creditors of the company, due to liquidity issues on account of huge receivables from MSEDCL
10.	According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank and / or financial institutions				No guarantee issued by company for loans taken by entities other than related parties.
11.	In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, the term loans raised during the period have prima facie been applied for the purpose for which they were raised or pending actual application, have been deployed for working capital purposes.				Company has mainly availed long term loans for funding of capacity expansion activities.
12.	To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.				Company has separate wing for Vigilance and Security and no fraud has been noticed by the company during the year.

## SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

To,  
The Members,  
Maharashtra State Power Generation Company Limited  
Prakashgad Plot No G-9anant Kanekar Marg,  
Bandra (East)  
Mumbai-400051.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/S Maharashtra State Power Generation 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 our opinion thereon

Based on my verification of the **M/S Maharashtra State Power Generation Company Limited’s** books, papers, minutes 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 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 (“the reporting period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/S Maharashtra State Power Generation Company Limited** (“the Company”) as given in **Annexure I**, for the Financial Year ended 31<sup>st</sup> March, 2015 according to the provisions of

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder for specified Sections notified and came into effect from 12<sup>th</sup> September, 2013 and Sections and Rules notified and came into effect from 1<sup>st</sup> April, 2014.
- ii. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder; (not applicable as the Company is Public Unlisted Company)
- iii. The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder; (not applicable as Company’s shares are held in physical form)
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder; (not applicable to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) are not applicable as the Company is Unlisted Public Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the Financial Year under report:-
  - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued/listed/propose to list its Debt Securities to any Stock Exchange during the Financial Year under review)**
  - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable)**
  - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)**
- vii. I have relied on the Representation made by the Company and its Officers for systems and mechanism framed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- viii. In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act & Profession Tax I have relied on the Reports given by the Statutory Auditors of the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; **(Not notified and hence not applicable to the Company during Audit period)**

**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 Electricity Act, 2003 which is specifically applicable to the Company.

**I further report that:**

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

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

Majority decision is carried through and recorded as part of the minutes.

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

**During the Financial Year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:**

1. The Company has not appointed CFO in the Company as per Section 203 of the Companies Act, 2013. However, it has

explained to me that the Company has appointed Director (Finance) who is in charge of Finance and related functions of the Company.

2. The AGM for the year 2013-14 was adjourned due to non-receipt of CAG comments on Audited Financial Accounts before the date of AGM i.e. 24/09/2014 and was held on 25/03/2015.

**I further report that** the Company is a wholly owned subsidiary of M/s. MSEB Holding Company Limited and it has allotted 1248914400 Equity Shares of Rs. 10 each on 30/07/2014 on the basis of G.R. No. 2014/PK9/Energy-3 dated 10/06/2014 to its holding company M/s. MSEB Holding Company Limited, a Company owned by Government of Maharashtra.

**I further report that** during the year/audit period under report, the Company has not undertaken any events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Mumbai

Date: 23<sup>rd</sup> September, 2015

**For S. K. Jain & Co.**

(Dr. S.K.Jain)

Proprietor

Company Secretary

FCS: 1473

COP: 3076

## ANNEXURE I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has during the Financial Year under review, complied with the provisions of the Act and the Rules made thereunder, the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
2. Minutes of General Body Meetings held during the Financial Year under report;
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings;
5. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the Financial Year under report;
6. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and directorships in other Companies and interest in other entities by Directors;
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report;
8. Appointment and remuneration of Internal and Statutory Auditor;
9. Closure of Register of Members/record date. However, the Company has not declared any dividend

To,  
The Members,

Maharashtra State Power Generation Company Limited  
Prakashgad Plot No G-9anant Kanekar Marg,  
Bandra (East)  
Mumbai-400051.

Our Secretarial Audit Report of Even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

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

Place: Mumbai  
Date: 23<sup>rd</sup> September, 2015

**For S. K. Jain & Co.**

(Dr. S.K.Jain)  
Proprietor  
Company Secretary  
FCS: 1473  
COP: 3076

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2015

The preparation of Financial Statements of **Maharashtra State Power Generation Company Limited, Mumbai** for the year ended **31 March 2015** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143 (10) of the Act. ***This is stated to have been done by them vide their Audit Report dated 23 September 2015.***

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the Financial Statements of **Maharashtra State Power Generation Company Limited, Mumbai** for the year ended **31 March 2015**. 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 matter under section 143(6) (b) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the Financial Statements and the related Audit Report.

### I. COMMENTS ON FINANCIAL POSITION

#### Balance Sheet

#### Non - current Assets

#### Fixed Assets

#### Tangible Assets (Net Block) (Note No. 8) ₹ 18,241.80 crore

1. The contractual cost of a 14 MW Solar Power constructed at Baramati for ₹ 105 crore had achieved Commercial Operation (COD) on 31 March 2015. As per the Agreement of the Company with the Developer, ₹ 42 crore was to be made as upfront payment to the Developer and balance ₹ 63 crore as deferred payment during the Agreement period till November 2040.

The Company did not capitalize the asset, resulting in understatement of "Tangible Assets" by ₹ 105 crore, Other Current Liabilities by ₹ 42 crore towards the upfront payment due but not paid / provided for and Other Non Current Liabilities by ₹ 63 crore.

### II. COMMENTS ON PROFITABILITY

#### Expenses

#### (a) Cost of Material Consumed (Noted No. 17): ₹ 12,182.24 crore

#### Coal: ₹ 10,720.42 crore

2. Non-provisioning for outstanding expenses on Commission payable to Agents appointed for linkage materialization in connection with the Coal Linkage Agreements with Coal companies viz., WCL, MCL & SECL, resulted in overstatement of Profit by ₹ 156.62 lakh due to understatement of costs.

#### Water: ₹ 154.28 crore

3. The stock of water at STPS Chandrapur was stated at ₹ 793.71 lakh against provision for liability for supply of materials and services and the same was transferred to cost of material consumed, at Head Officer of the Company. Booking the water as closing stock and subsequently as consumption resulted in double booking. The Stock of water at STPS Chandrapur should have

been removed against the liability created at STPS Chandrapur. This has resulted in understatement of Profile by ₹ 793.71 lakh and overstatement of Other Current Liabilities by a similar amount.

**Finance Cost (Note No. 19): ₹ 1,952.64 crore**

**Other Loan ₹ 1,549.81 crore.**

4. The Company has availed ₹ 27.08 crore World Bank for financing Renovation & Modernisation activity at Koradi Thermal Power Station. However, the interest amounting to ₹ 13.09 lakh charged in the year 2014-15 to profit & Loss Account should have been capitalized being a capital expense. Omission to do so, resulted in understatement of Profit for the year by ₹ 13.09 lakh and Capital Work-in-Progress by the same extent.

#### **Repairs and Maintenance**

**Plant & Machinery & Building ₹ 739.17 crore.**

**Critical / insurance Machinery spares**

5. As per the stated Significant Accounting Policy No. 1 f (v), in case of replacement of part of asset / replacement of capital spare where written down value of such original part of asset / capital spare is not known, the cost / net book value of the new part of asset / new capital spare shall be written off. The Company replaced the spares at two Thermal Power Stations valuing ₹ 72.30 crore (₹ 30.70 crore at TPS Khaperkheda & ₹ 14.60 crore at STPS Chandrapur). However, the value of old spares were not removed from the assets and there was no system for ascertaining the book value of spares replaced in old thermal power plants. Non-compliance by the Company to its stated Accounting Policy resulted in overstatement of Profit for the year and Tangible Assets (Net Block) by ₹ 72.30 crore.

### **III. COMMENTS ON DISCLOSURE**

#### **NOTES TO FINANCIAL STATEMENTS (MAHAGENCO)**

##### **(i) Revenue Recognition**

##### **Revenue from Operations**

6. As per Agreement between the Company and a developer of Solar Power at Baramati the revenues from generation were to be shared in the ration of 38.75 per cent and 61.25 per cent. However, the Company recognized the entire bill raised for ₹ 16.67 crore as revenue and booked expenses against bills submitted by the developer agency for claiming their proportionate share of 61.25 per cent, in order to book revenues and expenditure.

However, this accounting treatment should have been suitably disclosed in the Accounts to depict the Correct picture, but the same was not done.

##### **Long Term Loan and Advances (Note No. 10)**

##### **Related parties**

**Unsecured, Considered good: ₹ 32.71 crore.**

7. The Board of Directors of the Company decided to wind up its Subsidiary Company M/s. Dhopave Coastal Power Ltd, in its meeting held in November 2014 and to write off loan amounting to ₹ 625.35 lakh given to them. Accordingly the Company referred the matter to State Government for approval of winding up of the Subsidiary Company, for which the decision was awaited.

The above fact has not been disclosed in the Accounts.

**Trade Receivables (Note No. 12) ₹ 10,607.13 crore**

8. Based on disputes / representations regarding delayed payment charges, the MSEB Holding Company Limited, the holding Company of MSPGCL (Generation Company) and MSEDCL in its Board meeting (15 April 2015) passed a resolution to direct

MSPGCL to waive off delayed payment charges levied on MSEDCL for dues receivable from them. The Company should have disclosed the fact that the Receivables of ₹ 2524.14 crore from MSEDCL till January 2015 (as per records of MSEDCL payable was ₹ 748.30 crore) may not be entirely received by them.

**For and on behalf of  
The Comptroller and Auditor General of India**

Place : Mumbai  
Date : 30<sup>th</sup> December, 2015

**PRINCIPAL ACCOUNTANT GENERAL  
(AUDIT)-III**

## Final CAG Comment's on the Accounts of MSPGCL for F.Y. 2014-15 and Replies of the Company thereon.

Sr. No.	FINAL AUDIT COMMENT	MANAGEMENT REPLY	STATUTORY AUDITORS COMMENTS
1.	<p><b>COMMENTS ON FINANCIAL POSITION.</b></p> <p><b>Non-current Assets: Fixed Assets</b></p> <p><b>1. Tangible assets (Net Block).</b></p> <p>The contractual cost of 14MW Solar Power Plant constructed at Baramati for ₹ 105 Crs had achieved Commercial Operation (COD) on 31-3-2015. As per the agreement of company with the Developer, ₹ 42 crore was to be made as upfront payment to the developer and the balance ₹ 63 crore as deferred payment during the Agreement period till November 2040. The company did not capitalise the asset, resulting in understatement of Tangible Assets by ₹ 105 crore, other current liabilities by ₹ 42 crore towards the upfront payment due but not paid / provided for and other non-current liabilities by ₹ 63 crore.</p>	<p>The 14 MW Solar Power Plant was under construction at Baramati through M/s Clean and Sustainable Solar Energy Pvt Ltd. The said project could not be entirely completed before 31-03-2015. Hence, declaration of the COD is yet to be internally finalised. Consequently, the same could not be capitalised into asset as on 31-03-2015. Upon finalisation of COD, necessary accounting entries would be effected.</p>	<p>The accounting is based on as per the information and explanations given to us by the management until the financial statements were finalised. i.e. non-achievement of the COD of this plant. We have not received any certificate from management till the date of our audit report. We have requested MSPGCL to obtain necessary certificate from respective department and pass necessary entries in the books of accounts in FY 2015-16. We have been further informed by the Company as under:-</p> <p><i>Solar assets commissioning – Conventionally, MAHAGENCO has set up thermal, gas and hydro power stations with Unit capacity like 250 MW, 500 MW, 660 MW etc. where the entire capacity is one Unit and entire block (of say 500 MW) gets commissioned in single instance. In other words there is no concept of partial commissioning. Whereas in case of solar, the technology has been different and the solar plant can get commissioned in parts. In respect of 36 MW solar plant, a small portion of solar power plant was operational as on 31-03-2015. However, such partial commissioning occurred for the first time and that too on the last date of FY 2014-2015. Owing to this, the proportionate commissioning of asset remained to be accounted for. The necessary rectification entry would be passed in FY 2015-2016.</i></p>
2.	<p><b>Cost of Material Consumed Coal.</b></p> <p>Non-provisioning for outstanding expenses on commission payable to Agents appointed for linkage materialisation in connection with the Coal Linkage Agreements with the coal companies viz WCL, MCL and SECL resulted in overstatement of profit for the year by ₹ 156.62 lakh due to understatement of costs.</p>	<p>The Liaisoning agent has submitted their bills after the closing of financial year i.e. after 31-03-2015. The provision of liability is already made as per then available information. However, there is a shortfall of provision of ₹ 1.56 crore due to delayed receipt of bills which is not of material nature when compared to total cost of material of ₹ 12,182.24 crore (i.e. 0.01%).</p>	<p>We have no further comments than the concurrence given earlier. Our final audit opinion on the financial statements of MSPGCL is as required by Standards of Auditing</p>

3.	<p><b>Stock of water.</b></p> <p>The stock of water at STPS Chandrapur was stated at ₹ 793.71 lakh against the provision for liability for supply of materials and services and the same was transferred to cost of material consumed, at the head office of the company. Booking the water as closing stock and subsequently as consumption resulted in double booking. The stock of water at STPS Chandrapur should have been removed against the liability created at STPS Chandrapur. This has resulted in understatement of profit by ₹ 793.71 Lakhs and overstatement of other current liabilities by a similar amount.</p>	<p>The accounting entry for consumption of water stock as on 31-03-2015 has been passed at Corporate Office on behalf of all field Units vide JV no. 1356254 dated 31-03-2015. The treatment of accounting entire water consumption / water expenses has been consistently followed by the company since inception. However, with implementation of SAP, stock of water has been mapped in the system. With effect from ensuing year company will lay down separate accounting policy for treatment of water stock in order to bring clarity on this issue.</p>	<p>While we have no further comments than the concurrence given earlier, we have requested MSPGCL to examine this para in detail and if required, give necessary accounting impact in financial year 2015-16. We have been further informed by the Company as under:-</p> <p><i>It has been confirmed by C.STPS that they have booked water charges by way of expenditure and also there has been consumption of water stock leading to double booking.</i></p>
4.	<p><b>Finance Cost Other Loans.</b></p> <p>The company has availed ₹ 27.08 crore from World Bank for financing Renovation &amp; Modernisation activity of Koradi TPS. However, the interest amounting to ₹ 13.09 lakh charged in the year 2014-2015 to Profit &amp; Loss Account should have been capitalised being a capital expense. Omission to do so, resulted in understatement of profit for the year by ₹ 13.09 lakh and capital work-in-progress by the same extent.</p>	<p>The interests on loan, for the projects which are under construction stages and not yet commissioned, are capitalized as per Accounting Policy of the Company. In FY 2014-2015, out of total interest &amp; finance cost of ₹ 3,590.37 crore, an amount of ₹ 1,647.15 crore has already capitalized, being the interest on loans taken for projects not yet commissioned. However, the interest on loan from World Bank ₹ 13.09 Lakhs, which should have been capitalized was inadvertently remained to be capitalized in the Accounts. Total CWIP of the Company is ₹ 20,582.92 crore Considering the volume of CWIP and interest on loan from World Bank which have left out from Capitalisation, the impact on CWIP comes to only 0.0006 % which is not of material nature.</p> <p>However, necessary rectification entry for interest capitalization of above loan is being passed in FY 2015-16 Accounts.</p>	<p>4 (a) &amp; 4 (b) - We have no further comments than the concurrence given earlier. The balance of loan from World Bank outstanding as on the year-end is ₹ 27.08 crore.</p>

5.	<p><b>Repair &amp; Maintenance</b></p> <p>As per the stated Significant Accounting Policy No. 1f(v), in case of replacement of part of asset / replacement of capital spare where written down value of such original part of the asset / capital spares is not known, the cost / net book value of the new part of asset/ new capital spare shall be written off. The company replaced the spares at two Thermal Power Stations valuing ₹ 72.30 crore (₹ 30.70 crore at TPS Khaperkheda &amp; ₹ 41.60 crore at STPS Chandrapur). However the value of old spares were not removed from the assets and there was no system for ascertaining the book value of spares replaced in old thermal power plants. Non-compliance by the company to its stated Accounting Policy resulted in overstatement of profit for the year and Tangible assets (Net Block) by ₹ 72.30 crore.</p>	<p>As per Sr. No. F (ii), (iii) &amp; (iv), Notes to Accounts- “Machinery spares procured subsequently are also capitalized in the year of purchase.”, “Machinery spares are depreciated fully over the remaining useful life of the related plant and machinery” &amp; “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. The repair charges of the old relevant spares are charged to Statement of Profit and Loss”. In this case the useful life of the new replaced asset is more than 17 years and the old asset will be repaired for reuse and hence both the spares would continue to be depreciated. Consequently, in line with captioned accounting policy, the asset is correctly depreciated with 5.28% as per MERC prescribed depreciation rate.</p>	<p>While we have no further comments than the concurrence given earlier, we have requested MSPGCL to examine this para in detail and if required, give necessary accounting impact in financial year 2015-2016.</p>
6.	<p><b>Revenue from operations.</b></p> <p>As per the agreement between the Company and Developer of Solar Power at Baramati, the revenues from generation were to be shared in the ratio of 38.75 per cent and 61.25 percent. However the company recognised the entire bill raised for ₹ 16.67 crore as revenue and booked expense against bills submitted by the developer agency for claiming their proportionate share of 61.25 percent in order to book revenues and expenditure. However, this accounting treatment should have been suitably disclosed in the Accounts to depict the correct picture but the same was not done.</p>	<p>MOU entered into between MAHAGENCO and M/s CSSEPL stipulates that the said solar power company shall raise invoices for recovery of revenue share under the heads of 1) Deferred Payment Charge 2) Interest on Deferred Payment Charge and 3) Operation and Maintenance which would be equivalent to 61.25% of revenue. Hence MAHAGENCO needs to consider these expenses into books of accounts on the basis of said invoices. Consequently in order to reflect net 38.75% of revenue, MAHAGENCO needs to book 100% revenue in its books of accounts. This accounting treatment would be suitably disclosed in the accounts of ensuing year.</p>	<p>The accounting reflects the business arrangement between MSPGCL and Clean Sustainable Solar Energy Pvt Ltd.</p> <p>We appreciate your suggestion of inserting an accounting policy for such type of transactions from financial year 2015-2016. We will discuss the same with the Company and if thought necessary, considering the volume of such activity, an accounting policy will be included in the next financial statements.</p>

7.	<p><b>Long term loans and advances.</b> Board of Directors of the company decided to wind up its subsidiary company M/s Dhopave Coastal Power Ltd., in its meeting held on 20-11-2014 and to write off loan amounting to ₹ 625.35 Lakhs given to them. Accordingly, the company referred the matter to State Government for approval of winding up of the subsidiary company for which the decision was awaited. The above fact has not been disclosed in the accounts.</p>	<p>Upon resolution to wind up Dhopave Coastal Power Co. Ltd., the proposal has been submitted to Government of Maharashtra to accord the approval for such wind up. However as on 31.03.2015, approval for the said proposal, had not been received from Government Of Maharashtra (and the same is also awaited as on date). Consequently, pending the approval from Government, Dhopave company prepared its Annual Accounts on 'Going Concern' concept. As a result, MAHAGENCO has also not made any provision against the receivables from Dhopave Company. As soon as Government of Maharashtra accords its approval for winding up of Dhopave Co., the MAHAGENCO would also give effect of the same in its books of Accounts and would also give suitable disclosure if necessary.</p>	<p>We have no further comments than the concurrence given earlier.</p>
8.	<p><b>Trade Receivables</b> Based on disputes/ representations regarding delayed payment charges, the MSEB Holding Company Ltd., the holding company of MSPGCL (Generation Company) and MSEDCL in its Board Meeting (15th April 2015) passed a resolution to direct MSPGCL to waive off delayed payment charges levied on MSEDCL for dues receivable from them. The Company should have disclosed the fact that the receivables of ₹ 2524.14 crore from MSEDCL till January 2015 (as per records of MSEDCL payable was ₹ 748.30 crore) may not be entirely received by them.</p>	<p>Board of Directors of MSPGCL in its meeting dated 21-10-2015, has resolved that since MERC in its order dated 26-06-2015 on MSPGCL's petition for mid term review has already deducted an amount of ₹ 2,635 crore (₹ 2,510 crore late payment surcharge and ₹ 125 crore Holding Cost) from true up amount due to MSPGCL, at present there is no need for waiver of Late payment surcharge again as it would result in double financial impact on MSPGCL's revenue. The Board further noted that an appeal has been filed in APTEL by MSPGCL against the order of MERC. In case the appeal is decided in MSPGCL's favour, the issue of waiver of late payment surcharge will be decided thereafter.</p>	<p>Refer to comment no 4(iv) of the Auditors Report in respect of revenue recognized by the company in respect of late payment surcharge levied on MSEDCL.</p>

## INDEPENDENT AUDITORS' REPORT

To The Members Of Maharashtra State Power Generation Co. Ltd, Mumbai

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (MSPGCL / the Company)** which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Standalone Financial Statements

2. 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 Standards notified under the Companies Act, 2013 ("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 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 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 these risk assessments, the auditor considers internal control relevant to the Company's preparation and that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 standalone financial statement.

### Basis for Qualified Opinion

4. We invite attention to:-

(i) *Note No, 2 of Notes to Accounts regarding The Assets and Liabilities of the Company contain balances transferred under the transfer scheme*

as on 6th June, 2005 by The Maharashtra Electricity Reforms Transfer Scheme 2005. As per the information given to us, these balances of Fixed Assets, Non-current Assets, Current Assets, Non-current Liabilities and Current Liabilities as approved by MSEB Holding Company Ltd. have been incorporated in the company's books of accounts. Final transfer scheme is yet to be notified by the Government of Maharashtra. Any changes in these figures if made, at the time of final notification may have an impact on Balance Sheet and Profit & Loss Account items.

- (ii) As stated in note no.31 of Notes on Accounts the balances of loans and advances, deposits, Liability for supply of material, inventories and balances of coal companies are subject to confirmation from respective parties and / or reconciliation with subsidiary records, as the case may be. Pending such confirmation and completion of reconciliation, the consequential adjustments could not be made. Further, due to non-availability of account-wise overdue amounts beyond reasonable period for certain balances of loans and advances, the amount of provision required for a specific account, if any, could not be ascertained. In view of the same, we are unable to comment on the consequential impact on the status of these balances and the profit of the Company.
- (iii) As stated in note no. 32 of Notes on Accounts the loans and advances include ₹ 1,186.15 crore towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to ₹ 1,230.46 crore. Pending final passing of the bills, the Company has not set off the said liability against the advance paid. This has resulted in over statement of the respective assets and liabilities of the Company. The impact of the above on the profit of the Company is not ascertained.
- (iv) The Company, in terms of Power Purchase Agreement with the Maharashtra State Electricity Distribution Company Limited (MSEDCL) has recognized income during the year of Surcharge being interest on delayed payment amounting to ₹ 1,051.04 crore under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to ₹ 1,775.84 crore as on March 31, 2015. Further, the Company is in the process of reconciling various invoices for the year and earlier years with MSEDCL amounting to a net difference of ₹ 4.02 crore. Considering the non acceptance of billing by MSEDCL and account reconciliation, we are unable to comment on the reliability of such income and the impact on ;
- the profit of the Company for the year,
  - the value of Trade Receivables
  - the value of unbilled revenue and
  - the Reserves and surplus.

### Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and subject to our observations in point (i) to (iv) of para 4 above the effect of which on the profit for the year and net assets as at March 31, 2015 is unascertainable, 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matters:

6. We draw attention to following notes:
- Note no. 35(d) regarding non disclosure of the information required under Accounting Standard 19 "Leases" issued under the Companies (Accounting Standards) Rules, 2006 pending execution of the lease agreements with the government of Maharashtra in respect of various hydro power generation facilities.
  - Note no. 35(a)(ii) regarding accounting of shortfall/excess if any, based on the provisional accounts of the CPF, in the absence of the requisite details and information.

Our opinion is not qualified in respect of above matters.

### Report on Other Legal and Regulatory Requirements

7. As required under Section 143(5) of the Companies Act, 2013, we give in the Annexure I, a Statement on the Directions issued

by the Comptroller and Auditor General of India after complying the Suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the company.

8. As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure II, a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and, except for the possible effect of the matter described in sub-paragraph 4 of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, 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.
  - (e) Being a Government Company, pursuant to the notification number GSR 829(E) dated October 21, 2003 issued by the Government of India, the provisions of Section 164(2) of the Companies Act, 2013 are not applicable to the Company.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 23 to the financial statements.
    - (ii) The Company does not have any long-term contracts which require it to make provision for material foreseeable losses. Also, the Company has not entered into any derivative contracts.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Borkar & Muzumdar**  
Chartered Accountants  
**FRN: 101569W**

**For Umed Jain & Co**  
Chartered Accountants  
**FRN: 119250W**

**For M P Chitale & Co**  
Chartered Accountants  
**FRN: 101851W**

**CA Devang Vaghani**  
Partner  
**ICAI M No. 109386**

**CA Akhil Jain**  
Partner  
**ICAI M.No.137970**

**CA Ashutosh Pednekar**  
Partner  
**ICAI M No. 041037**

Place: Mumbai  
Date: 23<sup>rd</sup> September, 2015

## ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 7 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2015

### Comments on directions u/s 143(5) of Companies Act 2013

- 1) If the company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process.

The Company has not been selected for 'Disinvestment' purpose. Hence, the information sought is Not Applicable to the company.

- 2) To report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes the reasons thereof, and the amount involved.

During the course of audit and as per information and explanations given to us, there were no cases/instances of waiver/write-off of any loans/debts/interest etc., by the company during F.Y.2014-2015.

- 3) Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government and other authorities?

The Company sends its inventories / materials to third parties only for maintenance operations or fabrication activities. As informed to us, the Company has proper records for such inventories. We have been informed that there are no assets received as gift from the Government during the year.

- 4) A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

Company discloses pending legal/arbitration cases as Contingent Liabilities as identified by the company. The age wise analysis of 367 pending legal /arbitration cases given below:

Age of cases	No of cases
Less than one year	33
1 to 2 years	55
2 to 3 years	17
3 to 5 years	38
More than 5 years	189
Others unattended	35
<b>Total</b>	<b>367</b>

Cases are generally pending due to (i) hearing are in process or not yet completed for the want of additional details/documents required by arbitrators/courts (ii) non fixation of dates or stay granted by the courts. The company keeps the details of expenditure incurred for each case.

### Comments on Sub-directions u/s 143(5) of Companies Act 2013

- 5) In the cases of Thermal Power Projects , compliance of various Pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.

The Company has represented that it has complied with the requirements of various pollution control acts including utilization and disposal of ash during the year 2014-2015. The above information regarding compliance of various Pollution Control Acts and the impact thereof including utilization and disposal of ash has not been independently verified by us.

**6) Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?**

No, company has not entered into revenue sharing agreements with private parties for extraction of coal.

**7) Does the company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc, are properly recorded in the books of accounts?**

Yes, company has the system for reconciliation of quantity/quality of coal ordered and received. However the current process needs to be strengthened. Company recognizes the liability of coal on the basis of grades mentioned in suppliers' invoice instead of the grade determined by its internal chemist in the respective unit. Claim for coal grade slippage has been made on the basis of coal grade differences observed at loading end by Companies representative and suppliers representatives jointly vis-à-vis Grade allocated to Colliery.

**8) How much share of free power was due to the State Govt. and whether the same was calculated as per the agreed terms and depicted in accounts as per accepted accounting norms?**

As informed by the Company, there is no share of free power to the State Govt., under any agreement.

**9) In the case of Hydroelectric Projects the water discharge is as per policy /guidelines issued by state govt. to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.**

Water discharge is governed by Water Resource Department (WRD) of State Govt., and as informed, the company has no role in the same. No penalty has been payable/paid towards water discharge.

**For Borkar & Muzumdar**  
Chartered Accountants  
FRN: 101569W

**For Umed Jain & Co**  
Chartered Accountants  
FRN: 119250W

**For M P Chitale & Co**  
Chartered Accountants  
FRN: 101851W

**CA Devang Vaghani**  
Partner  
ICAI M No. 109386

**CA Akhil Jain**  
Partner  
ICAI M.No.137970

**CA Ashutosh Pednekar**  
Partner  
ICAI M No. 041037

Place: Mumbai  
Date: 23<sup>rd</sup> September, 2015

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**ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 8 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2015**

- i. In respect of its fixed assets:
    - a) *The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset except in case of few assets at certain locations where item wise particulars and codification of fixed assets are in process of matching with the fixed asset register.*
    - b) As informed to us, the Company has a policy of conducting physical verification of fixed assets once in three years. During the year, no physical verification of fixed assets was conducted by the management being the rest year.
  - ii. In respect of its inventories:
    - a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year. The physical verification of inventory was carried out by the management.
    - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
    - c) On the basis of our examination of records of inventory, *subject to our remark in para 4(ii) of our main Audit Report regarding non-reconciliation of the balances with subsidiary records*, in our opinion, the company has maintained proper records of inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were adjusted appropriately in the books of account
  - iii. As per the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 during the year. Consequently, the provisions of Clause (iii)(a) and Clause (iii)(b) of paragraph 3 of the Order are not applicable to the Company.
  - iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and nature of its business with regard to purchase of inventory & fixed assets and sale of power. *However, there is need for further improvement of Internal Control with regard to handling of scrap and internal control with regard to applying the appropriate rate of tariff to units of power sold.*
  - v. According to the information and explanations given to us, the company has not accepted deposit from the public within the meaning of the provisions of section 73 to 76 of the Companies Act, 2013 and rules thereunder.
  - vi. The Central Government has prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013. We have broadly reviewed such relevant records of the Company and in our opinion and according to the information and explanation given to us prima facie the Company has made and maintained the prescribed records. We have, however not made an examination of the cost records required to be maintained under Companies (Cost Accounting Records) Rules 2014 with a view to determine whether these are accurate or complete.
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vii. In respect of statutory dues:

- a) According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Wealth Tax, Service Tax, duty of Customs, duty of excise, Value Added Tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Wealth Tax, Service Tax, duty of Custom, duty of excise, Value Added Tax, Cess, were outstanding, as at March 31, 2015 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following:-

Name of the Statue	Nature of the dues	Amount (₹)	Period to which amount relates	Forum at which dispute is pending
Central Excise Act	Duty on fabricated materials	₹ 2,670,375	2005-06 (Since inception of the company)	Commissioner of Central Excise, Nagpur
Income Tax Act	TDS on Service Tax	₹ 895,000	2009-10	ITAT, Pune Bench
Central Sales Tax Act	MVAT	₹ 3,540,717	2005-06	Commissioner of Sales Tax (Appeals), Nagpur
Central Excise Act	Duty levied on the fabrication of structural steel items	₹ 30,100,000	1991-1992 to 1994-95	Commissioner of Sales Tax (Appeals), Nagpur
Asstt. Commissioner of Income Tax	Concealment of income	₹ 1,073,215,440	AY 2007-08	ITAT, Mumbai

- c) The Company is not required to transfer amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and Rules made thereunder.

- (viii) There are no accumulated losses in the Company at the end of the financial year. As per the books of account of the Company, it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanation given to us, the Company has generally not defaulted in repayment of dues to the banks and financial institutions *except in Power Finance Corporation Ltd. ₹ 109.98 crores for principal and ₹ 5.66 Crores for interest which were overdue by 76 days as on March 31, 2015.* The Company has not borrowed any sum through debentures
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank and / or financial institutions.
- (xi) In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, the term loans raised during the period have prima facie been applied for the purpose for which they were raised or pending actual application, have been deployed for working capital purposes.

(xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For Borkar & Muzumdar**  
Chartered Accountants  
**FRN: 101569W**

**For Ummed Jain & Co**  
Chartered Accountants  
**FRN: 119250W**

**For M P Chitale & Co**  
Chartered Accountants  
**FRN: 101851W**

**CA Devang Vaghani**  
Partner  
**ICAI M No. 109386**

**CA Akhil Jain**  
Partner  
**ICAI M.No.137970**

**CA Ashutosh Pednekar**  
Partner  
**ICAI M No. 041037**

Place: Mumbai  
Date: 23<sup>rd</sup> September, 2015

## Balance Sheet as at 31<sup>st</sup> March, 2015

(Amt. in ₹)

	Note No.	As At 31-03-2015	As At 31-03-2014
<b>I. Equity &amp; Liabilities</b>			
(1) Shareholders funds:			
(a) Share Capital	1	80,572,845,640	68,083,701,640
(b) Reserves and surplus	2	22,149,432,874	17,765,855,083
(2) Share Application money pending allotment (Refer note No. 24 )		9,303,117,897	14,329,098,897
(3) Non-Current Liabilities			
(a) Long Term borrowings	3	246,372,857,959	226,471,982,465
(b) Deferred tax liability (net)	4	14,716,917,044	11,409,176,554
(c) Other long term liabilities	5	21,885,741,182	22,276,820,027
(d) Long term provisions	6	8,384,283,631	6,331,859,162
(4) Current Liabilities			
(a) Short Term borrowings	3(A)	60,390,342,818	55,339,839,119
(b) Trade Payables	7	40,637,276,388	19,357,389,490
(c) Other Current liabilities	7(A)	38,837,440,377	56,797,443,098
(d) Short Term Provisions	6	3,598,589,967	559,103,915
<b>Total</b>		<b>546,848,845,776</b>	<b>498,722,269,450</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets:			
(i) Tangible Assets (Net Block)	8	182,417,961,034	187,419,206,131
(ii) Intangible Assets (Net Block)	8	161,606,095	187,969,939
(iii) Capital work-in progress	8(A)&(B)	205,829,160,234	177,367,143,045
Less:- Provision for obsolescence		143,177,963	78,304,946
		<b>205,685,982,271</b>	<b>177,288,838,099</b>
(b) Non-Current Investments	9	1,600,000	26,600,000
(c) Long term loans and advances	10	9,204,584,731	4,087,875,403
<b>Current Assets</b>			
(a) Inventories	11	14,231,644,368	17,146,431,281
(b) Trade Receivables	12	106,071,335,924	86,640,568,812
(c) Cash and cash equivalents	13	902,604,652	440,517,504
(d) Short term Loans and advances	10	24,720,021,849	22,573,485,559
(e) Other Current Assets	14	3,451,504,852	2,910,776,722
<b>Total</b>		<b>546,848,845,776</b>	<b>498,722,269,450</b>
See accompanying notes to the financial statements.			

As per our report attached  
**For M P Chitale & Co.**  
 Chartered Accountants  
 FRN: 101851W

(CA Ashutosh Pednekar)  
 Partner  
 M.No. 041037

**For Borkar & Muzumdar**  
 Chartered Accountants  
 FRN: 101569W

(CA Devang Vaghani)  
 Partner  
 M. No. 109386

**For Umed Jain & Co.**  
 Chartered Accountants  
 FRN: 119250W

(CA Akhil Jain)  
 Partner  
 M.No. 137970  
 Mumbai, 23<sup>rd</sup> September, 2015

**For Maharashtra State Power Generation Co. Ltd.**

J. K. Srinivasan  
 Director (Finance)  
 DIN No. 01220828

Bipin Shirmali  
 Chairman & Managing Director  
 DIN No. 03272135

S.K. Labde  
 Chief General Manager (A)

Rahul Dubey  
 Company Secretary  
 M No. A14213

## Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2015

(Amt. in ₹)

		Note No.	2014-2015	2013-2014
I.	Revenue from Operations	15	189,699,956,877	165,632,546,903
II.	Other income	16	2,669,738,910	837,379,752
<b>III.</b>	<b>Total Revenue [I+II]</b>		<b>192,369,695,786</b>	<b>166,469,926,655</b>
IV.	Expenses			
	(a) Cost of Material Consumed	17	121,822,387,275	108,863,145,171
	(b) Employee benefit expense	18	14,149,169,872	11,164,120,956
	(c) Finance Cost	19	19,526,435,700	17,109,719,329
	(d) Depreciation/ Amortisation	8	10,916,528,695	11,634,304,932
	(e) Other expenses	20	15,945,894,104	16,095,389,983
	(f) Prior Period Items (Net)	21	(80,303,807)	(1,596,441,538)
	<b>Total Expenses</b>		<b>182,280,111,838</b>	<b>163,270,238,833</b>
V.	Profit before tax (III-IV)		10,089,583,948	3,199,687,822
VI	Tax Expense			
	(a) Current Tax		2,424,000,000	723,000,000
	(b) Deferred Tax		3,307,740,490	1,366,255,257
<b>VII</b>	<b>Profit / (Loss) for the period</b>		<b>4,357,843,458</b>	<b>1,110,432,565</b>
	(1) Basic		0.52	0.13
	(2) Diluted		0.52	0.13
	See accompanying notes to the financial statements.			

As per our report attached  
**For M P Chitale & Co.**  
 Chartered Accountants  
 FRN: 101851W

(CA Ashutosh Pednekar)  
 Partner  
 M.No. 041037

**For Borkar & Muzumdar**  
 Chartered Accountants  
 FRN: 101569W

(CA Devang Vaghani)  
 Partner  
 M. No. 109386

**For Ummed Jain & Co.**  
 Chartered Accountants  
 FRN: 119250W

(CA Akhil Jain)  
 Partner  
 M.No. 137970  
 Mumbai, 23<sup>rd</sup> September, 2015

**For Maharashtra State Power Generation Co. Ltd.**

J. K. Srinivasan  
 Director (Finance)  
 DIN No. 01220828

Bipin Shrimali  
 Chairman & Managing Director  
 DIN No. 03272135

S.K. Labde  
 Chief General Manager (A)

Rahul Dubey  
 Company Secretary  
 M No. A14213

## Notes to Financial Statements

### 1. Significant Accounting Policies and Notes to Accounts forming part of Financial Statements For the year ended 31st March, 2015

#### a) 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 there under prevails wherever the same are inconsistent with the provisions of Companies Act 2013 to the extent applicable, in terms of section 174 of the Electricity Act, 2003..

The financial statements are prepared on the basis of going concern concept and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of Companies (Accounts) Rule 2014 and the provisions of the Act.

#### b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Management to make estimates and assumptions to be made that affect the reported amounts of assets and the liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimation. Changes in estimates are reflected in financial statement in the period in which changes are made and, if material, their effect are disclosed in the notes to the financial statements.

#### c) Tangible Fixed Assets

- (i) Fixed assets of the Company are recorded in the books of accounts at historical cost. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and provision for obsolescence/ impairment, if any.
- (ii) Cost of acquisition is inclusive of freight, duties & taxes (other than those subsequently recoverable from taxing authorities), levies, borrowing costs and all incidentals attributable to bring the asset ready for intended use.
- (iii) Capital Expenditure incurred by the Company, resulting in creation of fixed assets for which Company does not have ownership rights, is reflected as a part of capital work in progress till the assets are under construction and thereafter in the fixed assets schedule under the head "Capital Expenditure resulting in Assets not belonging to the Company" Revenue expenditure incurred for contribution towards cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss.
- (iv) In case of Capital Work in Progress where the final settlement of bills with the contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- (v) Claims for price variation in case of capital contracts are accounted for, on acceptance thereof by the Company
- (vi) The costs incurred on identification, survey and feasibility studies of a project under sanction is covered under capital work in progress till the event 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.
- (vii) Fixed assets are shown in the books of account net of any government grants received in respect of those fixed assets.

(viii) Fixed Assets costing individually up to ₹ 5,000/- are depreciated fully in the year of purchase. Cost of all Mobile Phones is charged off to Revenue during the year of purchase.

(ix) Assets retired from active use and held for sale are valued at Net Book Value or Net Realisable Value whichever is lower and disclosed as other current assets..

**(x) Intangible Assets**

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.

**(xi) Capital Work-in-progress**

In case of fixed assets, for new projects / expansion, the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.

(xii) The total cost including all office expenses incurred by the Company at project and planning offices for the period, are apportioned to respective Capital Work-in-Progress accounts in respect of projects under implementation, on the basis of cumulative balances of expenditure in respect of assets under construction.

(xiii) The costs incurred and revenue generated during the Trial Runs Stage of the Project / Power Station are adjusted during capitalization.

**d) 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.

**e) 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 state of assets or CGU if carrying cost is higher than recoverable amount.

**f) Critical/ Insurance Machinery Spares**

(i) 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 and if cost of such spares is not known, these are capitalized along with concerned plant.

(ii) Machinery spares procured subsequently are also capitalized in the year of purchase.

(iii) Machinery spares are depreciated fully over the remaining useful life of the related plant and machinery.

(iv) 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. The repair charges of the old relevant spares are charged to Statement of Profit and Loss.

(v) In case of replacement of part of asset/replacement of capital spare where written down value of such original part of asset/capital spare is not known, the cost/net book value of the new part of asset/new capital spare shall be written off.

### Machinery Spares ( Other than Critical/ Insurance Machinery Spares)

- (vi) Other spares are treated as “stores & spares” forming part of the inventory, valued at cost determined on weighted average basis or net realizable value whichever is lower and expensed as and when issued.

### g) Depreciation /Amortization

#### (i) Tangible Fixed Assets:

The Company provides depreciation on straight line method to the extent of 90% of the cost of asset following the rates notified by the Maharashtra Electricity Regulatory Commission (MERC) through MERC (Multy-Year Tariff) Regulations 2014 which came into force with effect from 1st April 2011. This new depreciation manner is effective for the accounting period starting from 1.4.2013.

Depreciation on the fixed assets added/ disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding and in case of capitalization of green field / brown field projects, depreciation is charged from the date of commencement of commercial operation to the Statement of Profit and Loss.

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.

Leasehold land is amortized over a period of lease generally. However for land held under lease for investment in land, for cost of clearing site, the depreciation is charged on SLM method @ 3.34% p.a.

- (ii) In case of Assets (other than assets mentioned in (iii) below) whose depreciation has not been charged upto 70% after its commissioning, company charges the depreciation rates as prescribed below, on the Gross Block of assets for calculating depreciation till the end of such year in which the accumulated depreciation reaches upto 70% in respect of such asset. After attainment of 70% depreciation reserve, the company charges depreciation on the basis of balance useful life upto 90%.

MERC vide Multy Year Tariff Regulations, has prescribed useful life in case of Thermal and Gas based power generating Stations as 25 years and in case of Hydro Generating Stations as 35 years.

Plant & Machinery in generating station of Hydro – electric, Steam Electric, & Gas based power generation Plant, Cooling Tower, Hydraulic Works, Transformers & other fixed apparatus, Transmission lines, Cable Network etc.	5.28%
Buildings & Other Civil Works	3.34%

- (iii) In case of following assets depreciation is charged straight line method upto 90% of or assets at rates mentioned below:

Furniture, Fixtures and Office Equipment	6.33%
Vehicles	9.50%
IT Equipment	15.00%

#### (iv) Intangible Assets:

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.

**h) Inventories**

Stock of materials including 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 (net of VAT refund receivable) and other costs incurred in bringing them to their present location and condition. Steel scrap and coal mill reject, not being part of inventory, are not recognized in Books of Accounts as an inventory item.

Losses towards unserviceable and obsolete stores and spares identified on review are provided in the accounts.

**i) Revenue Recognition**

Sale of electricity is accounted for based on tariff rates approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued up to the end of the accounting period which is subject to true up by MERC. Further, the revenue includes delayed payment surcharge levied to MSEDCL as per the terms of Power Purchase Agreement executed with MSEDCL. Company recognizes revenue income when no significant uncertainty as to measurability or collectability exists.

Sale of fly ash is accounted for based on rates agreed with the customers. Amount collected are kept under separate account head "Fly Ash Utilisation Fund" in accordance with the guidelines issued by MOE&F dated 03-11-2009. The said fund gets utilised to the extent of expenditure incurred for promotion of ash utilisation.

Other income is recognized on accrual basis. Sale of scrap, reject coal etc. is accounted for when such scrap is actually lifted by the buyer from Company's premises and company prepares invoice towards the said sale transaction. Recoveries on account of Liquidated Damages and interest on advance to contractors are recognized as income / adjusted to fixed asset in the year it is crystallized.

**j) Investments**

Long term investments are classified as Non-Current and are carried at cost, less provision for diminution other than temporary in the value of such investments.

**k) 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/ previously converted value is charged to the Statement of Profit and Loss.

**l) Employee Benefits****(i) 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).

**(ii) Post-employment benefits**

Defined Benefit Plan

**Gratuity and Leave encashment**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Provision for accruing liability for gratuity and leave encashment on retirement is made on the basis of the liability determined by actuary as at the year end.

Actuarial gains and losses in respect of post-employment benefits are charged to the Profit and Loss Statement.

#### **Provident Fund Benefit**

Company pays fixed contribution to Provident Fund at predetermined rates along with employee's contribution to a separate trust which also manages funds of other group companies. The funds are then invested in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the Statement of Profit and Loss

### **m) Leases**

#### **Finance Lease**

Assets acquired 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. The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra.

#### **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.

### **n) Taxation**

#### **(i) 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 MAT 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.

#### **(ii) 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".

Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

### **o) Prior Period Items and Extra-Ordinary Items**

Adjustments arising due to errors or omissions in the financial statements of earlier years are accounted under "Prior Period".

### **p) 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 disclosed in cases where they are in excess of ₹ 10 lacs individually in value . 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.

**q) Government Grant Policy**

Government grants related to specific fixed asset are deducted from gross value of such fixed asset. Government grants related to revenue is 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.

**r) Cash flow statement**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

**s) Earning Per Share (EPS)**

Basic earnings per share are computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/loss after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

For the purpose of calculating Earning Per Share, the share application money pending allotment has been considered being confirmed allotment.

**t) Ex-gratia**

Company accrues for the ex-gratia expenditure in the books of accounts as and when the same is declared by the company for its employees.

## 2. Restructuring Scheme

The assets and liabilities of the Company as on June 06, 2005 contain balances, which are transferred under The Maharashtra Electricity Reforms Transfer Scheme, 2005 (Transfer Scheme). Accordingly these balances are approved by MSEB Holding Company Ltd. The Final Transfer Scheme is yet to be notified by the Government of Maharashtra, which may have an impact on the financial statements of the Company including inter se balances of MAHAGUJ Collieries Limited, Dhopave Coastal Power Company Limited, Dhule Thermal Power Company Limited, MSEB Holding Company Limited, Maharashtra State Electricity Distribution Company Limited & Maharashtra State Electricity Transmission Company Limited.

### Note No. 1

#### Share Capital

**i) Authorised Capital**

Class of Share	Par value ₹	As at 31st March 2015		As at 31st March 2014	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	25,00,00,00,000	250,000,000,000	25,00,00,00,000	250,000,000,000

## ii) Issued, Subscribed and paid up Capital (Fully Paid-up)

Class of Share	Par value ₹	As at 31st March 2015		As at 31st March 2014	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	8,057,284,564	80,572,845,640	6,808,370,164	68,083,701,640

## iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31st March 2015 Equity Shares		As at 31st March 2014 Equity Shares	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Outstanding at the beginning of the year	6,808,370,164	68,083,701,640	5,534,644,564	55,346,445,640
Addition during the period	1,248,914,400	12,489,144,000	1,273,725,600	12,737,256,000
Outstanding at the end of the year	8,057,284,564	80,572,845,640	6,808,370,164	68,083,701,640

## iv) The rights, preferences, restrictions including restrictions on the distributions of dividends and repayment of capital

- 1) The Company is having only one class of shares i.e Equity carrying a nominal value of Rs. 10/- per share.
- 2) Every holder of the equity share of the Company is entitled to one vote per share held. The dividend, (except interim dividend) proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting.
- 3) Every shareholder has a right to receive dividend in proportion to shares held by them whenever such dividend is approved.
- 4) In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

## (v) Shares in respect of each class held by Holding Company

Name of Shareholder	As at 31st March 2015	As at 31st March 2014
	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	8,057,234,564	6,808,320,164
MSEB Holding Company Ltd. (Amount in ₹)	80,572,345,640	68,083,201,640

## (vi) Shares in respect of each class held by Holding Company

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	8,057,234,564	99.99	6,808,320,164	99.99

## Note No. 2

(Amt in ₹)

Reserves & Surplus	As at 31-03-2015	As at 31-03-2014
<b>Surplus as per Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	17,715,307,617	16,604,875,052
Add: Profit transferred from Statement of Profit & Loss	4,357,843,458	1,110,432,565

<b>Closing Balance</b>	<b>22,073,151,075</b>	<b>17,715,307,617</b>
Fly Ash Utilisation Fund at beginning of the year (refer note no. 22)	-	-
Additions during the year	303,837,673	149,345,695
Utilisation during the year	(303,837,673)	(149,345,695)
<b>Closing Balance of Fly Ash Utilisation Fund</b>	-	-
Opening Capital Grant	50,547,466	-
Additions during the year	25,734,333	50,547,466
Utilisation during the year	-	-
Closing Capital Grant Reserve	76,281,799	50,547,466
<b>Total Reserves &amp; Surplus</b>	<b>22,149,432,874</b>	<b>17,765,855,083</b>

**Note No. 3****LONG TERM BORROWINGS**

(Amt in ₹)

Particulars	Long Term Borrowings		Current Maturities of Long Term Borrowings	
	As at 31-03-2015	As at 31-03-2014	As at 31-03-2015	As at 31-03-2014
<b>Secured Loan</b>				
<b>Term Loan</b>				
<b>From Financial Institutions</b>				
Power Finance Corporation	121,373,270,862	111,872,037,773	4,075,170,227	6,050,229,149
Rural Electrification Corporation	101,843,923,824	97,274,634,751	1,077,479,166	687,500,000
Loan from Housing Urban Development Corporation	43,439,339	46,160,690	35,500,000	-
Loan from IREDA	160,826,000	200,218,000	39,392,000	29,544,000
<b>From Banks</b>				
<b>Term Loans</b>	<b>16,097,644,696</b>	<b>7,968,079,267</b>	<b>313,396,800</b>	<b>313,396,800</b>
	<b>239,519,104,722</b>	<b>217,361,130,481</b>	<b>5,540,938,192</b>	<b>7,080,669,949</b>
<b>Unsecured Loan</b>				
<b>Term Loan</b>				
<b>From Financial Institution</b>				
Power Finance Corporation	468,826,384	1,631,695,981	1,455,832,883	1,477,385,710
<b>From Others</b>				
KFW 150 MW Solar (Refer Note 38(h))	6,113,594,131	6,952,868,196	1,844,800,000	2,970,159,898
Loan from World bank	270,832,310	209,445,160		
Government of Maharashtra	500,412	316,842,646	316,292,430	316,250,196
<b>Sub Total</b>	<b>6,853,753,237</b>	<b>9,110,851,983</b>	<b>3,616,925,313</b>	<b>4,763,795,804</b>
<b>Total</b>	<b>246,372,857,959</b>	<b>226,471,982,465</b>	<b>9,157,863,505</b>	<b>11,844,465,752</b>

Less : Transferred to Other Current liabilities (Note No. 7)			(9,157,863,505)	(11,844,465,752)
<b>Net Total</b>	<b>246,372,857,959</b>	<b>226,471,982,465</b>	<b>-</b>	<b>-</b>
<i>(Refer note 25(A) Annexure 'A' for disclosure of terms &amp; conditions and Securities)</i>				

**Note No. 3 (A)**

(Amt in ₹)

<b>Short Term Borrowings</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
<b>Loan repayable on Demand (Secured)</b>		
<b>From Banks</b>		
Cash Credit	50,390,342,818	26,339,839,119
<b>Sub-Total</b>	<b>50,390,342,818</b>	<b>26,339,839,119</b>
<b>Loan repayable on Demand (Unsecured)</b>		
<b>From Banks</b>		
Working Capital loan from Banks	9,490,891,269	28,490,891,269
Temporay Loan from Banks	509,108,731	509,108,731
<b>Sub Total</b>	<b>10,000,000,000</b>	<b>29,000,000,000</b>
<b>Total</b>	<b>60,390,342,818</b>	<b>55,339,839,119</b>
<i>(Refer note 25(B) Annexure 'B' for disclosure of terms &amp; conditions and Securities)</i>		

**Note No. 4**

(Amt in ₹)

<b>Deferred Tax</b>	<b>Opening Balance As at 31-03-2014</b>	<b>Debit/Credit during year</b>	<b>Closing Balance As at 31-03-2015</b>
<b>Deferred Tax Liability (A)</b>			
Difference of WDV as per Books and Income Tax	21,788,155,891	3,181,281,177	24,969,437,068
<b>Deferred Tax Asset (B)</b>			
Disallowance u/s 43B of Income Tax Act, 1961	2,497,679,229	1,003,305,924	3,500,985,153
Disallowance u/s 40(a)(7) of Income Tax Act, 1961	1,451,801,624	317,107,060	1,768,908,684
Unabsorbed Depreciation loss carried forward	6,429,498,479	(1,446,872,297)	4,982,626,182
<b>Total</b>	<b>10,378,979,332</b>	<b>(126,459,313)</b>	<b>10,252,520,024</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>11,409,176,559</b>	<b>3,307,740,490</b>	<b>14,716,917,044</b>

**Note No. 5**

(Amt in ₹)

<b>Other Long Term liabilities</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
(i) Creditors for Capital expenditure	-	2,999,313
(ii) Deposits & Retentions	20,873,407,846	21,260,664,742
(iii) Other liabilities	145,539,637	146,362,273
(iv) Liabilities towards Related Parties	866,793,699	866,793,699
	<b>21,885,741,182</b>	<b>22,276,820,027</b>

## Note No. 6

(Amt in ₹)

Provisions	Long Term		Short Term	
	As at 31-03-2015	As at 31-03-2014	As at 31-03-2015	As at 31-03-2014
<b>Provision for Employee benefits</b>				
Provision for gratuity (Refer 38(a)(ix))	4,130,655,267	3,442,390,093	1,073,547,882	1,032,264,319
Provision for Leave encashment (Refer 38(a)(ix))	4,253,628,364	2,889,469,069	1,305,168,992	987,204,010
<b>Other Provisions</b>				
Provision for Income Tax			2,424,000,000	723,000,000
Less: Taxes paid in Advance (including TDS)			1,204,300,000	2,183,505,423
			1,219,700,000	(1,460,505,423)
Provision for Wealth Tax			173,093	141,009
	<b>8,384,283,631</b>	<b>6,331,859,162</b>	<b>3,598,589,967</b>	<b>559,103,915</b>

## Note No. 7

## TRADE PAYABLES

(Amt in ₹)

Other Long Term liabilities	As at 31-03-2015	As at 31-03-2014
Payables to MSME	7,659,638	294,239
Payables to Other than MSME	40,629,616,750	19,357,095,251
	<b>40,637,276,388</b>	<b>19,357,389,490</b>

## Note No. 7(A)

(Amt in ₹)

Other Current Liabilities	As at 31-03-2015	As at 31-03-2014
<b>Current Maturities of Long Term Debt (Note no. 3 &amp; Annexure thereto)</b>	9,157,863,505	11,844,465,752
Interest accrued but not due on borrowings	5,174,601,989	5,252,777,354
Other Payables -		
(i) Deposits & Retentions	8,577,375,219	12,896,157,746
(ii) Payables for capital goods	5,307,278,970	8,682,370,730
(iii) Other Liabilities	4,643,517,400	12,144,868,223
(iv) Liabilities towards Related Parties	5,976,803,293	5,976,803,293
	<b>38,837,440,377</b>	<b>56,797,443,098</b>



**Note No. 8A**

(Amt in ₹)

**Capital Work-in-Progress**

Particulars	As at 01.04.2014	Addition as during the year	Total WIP as at 31.03.2015
Freehold Land	86,011,338	13,845,689	99,857,027
Civil Work	30,718,207,806	4,944,868,303	35,663,076,109
<b>Other Buildings</b>	<b>157,910,473</b>	<b>25,419,662</b>	<b>183,330,135</b>
Plant & Machinery	112,574,383,258	5,361,723,366	117,936,106,624
Expenditure during construction	33,752,325,224	18,051,287,152	51,803,612,376
<b>Total</b>	<b>177,288,838,099</b>	<b>28,397,144,172</b>	<b>205,685,982,271</b>

**Note No. 8B**

(Amt in ₹)

**Expenditure during Construction Period**

Expenditure Head	Year ended 31st March 2014	Incurred during the year	Year ended as at 31st March 2015
Employee Costs	6,358,565,237	1,023,571,033	7,382,136,270
Administrative and General Expenses	767,958,464	123,622,234	891,580,698
Depreciation and other Debits	2,687,483,955	432,618,149	3,120,102,104
Interest and Finance Charges	23,938,317,568	16,471,475,736	40,409,793,304
<b>Total</b>	<b>33,752,325,224</b>	<b>18,051,287,152</b>	<b>51,803,612,376</b>

**Note No. 9**

(Amt in ₹)

<b>Non-Current Investments (valued at cost less diminution other than temporary, if any)</b>		
	As at 31-03-2015	As at 31-03-2014
<b>Trade Investments (Unquoted)</b>		
<b>Investment in Equity Shares</b>		
<b>In Subsidiary Companies</b>		
50,000 (PY 50,000) Equity shares of "Dhule Thermal Power Company Limited"	500,000	500,000
of Rs.10/- each fully paid-up	500,000	500,000
50,000 (PY 50,000 ) Equity shares of "Dhopave Coastal Power Company Limited"		
of Rs.10/- each fully paid-up	500,000	500,000
30,000 (PY 30,000) equity shares of UCM Coal Co. Ltd. Of Rs.10/- each fully paid up	300,000	300,000
25,00,000 (PY 25,00,000) equity shares of Latur Power Company Ltd. Of Rs. 10/- each fully paid up	-	2,50,00,000
30,000 (PY 30,000) Equity shares of "Mahaguj Colliery Limited" of Rs.10/- each fully paid-up	300,000	300,000
<b>Total</b>	<b>1,600,000</b>	<b>26,600,000</b>

## Note No. 10

(Amt in ₹)

Loan & Advances	Long Term		Short Term	
	As at 31-03-2015	As at 31-03-2014	As at 31-03-2015	As at 31-03-2014
Capital Advances				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	7,128,270,033	3,182,120,999	-	-
Doubtful	-	-	-	-
	7,128,270,033	3,182,120,999	-	-
Security Deposits				
Secured, Considered good	-	-	-	-
<b>Unsecured, Considered good</b>	-	694,315	879,927,406	1,280,666,126
Doubtful	3,259,976	3,259,976	-	-
	3,259,976	3,954,291	879,927,406	1,280,666,126
Less:- Provision for Doubtful Debts	3,259,976	3,259,976		
	-	694,315	879,927,406	1,280,666,126
Related Parties				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	327,062,853	317,167,114	768,802,110	768,721,726
Doubtful	2,712,798	2,712,798	-	-
	329,775,651	319,879,912	768,802,110	768,721,726
Less:- Provision for Doubtful Debts	2,712,798	2,712,798	-	-
	327,062,853	317,167,114	768,802,110	768,721,726
Others				
Advances recoverable in cash or in kind or for value to be received				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	27,517,896	300,071,334	782,993,966	703,493,785
Doubtful	1,913,921,343	1,787,719,701	-	-
	1,941,439,239	2,087,791,035	782,993,966	703,493,785
Less:- Provision for Doubtful Debts	1,913,921,343	1,787,719,701	-	-
	27,517,896	300,071,334	782,993,966	703,493,785
Advances for O & M supplies / works				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	24,457,118	4,869,032,559	3,395,285,573
Doubtful	9,995,428	9,995,428	-	-
	9,995,428	34,452,546	4,869,032,559	3,395,285,573
Less:- Provision for Doubtful Debts	9,995,428	9,995,428	-	-
	-	24,457,118	4,869,032,559	3,395,285,573
Advances for coal / fuel supplies				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	11,861,505,038	11,213,972,682
Doubtful	-	-	-	-
	-	-	11,861,505,038	11,213,972,682
Advances to staff				
Secured, Considered good	-	44,990	540,889	1,018,909
Unsecured, Considered good	185,628,186	201,470,985	452,351,652	380,630,922
Doubtful	-	-	-	-
	185,628,186	201,515,975	452,892,541	381,649,831
Balance recoverable from statutory authorities				
Secured, Considered good	-	-	-	-

Unsecured, Considered good	-	-	5,248,862	5,004,082
Doubtful	-	-	-	-
	-	-	5,248,862	5,004,082
	-	-	-	-
	-	-	5,248,862	5,004,082
Prepaid expenses				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	55,987,655	55,043,735
Doubtful	-	-	-	-
	-	-	55,987,655	55,043,735
Claims receivable and other current assets				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	51,092,172	37,960,945	5,043,631,714	4,769,648,019
Doubtful	3,546,706	3,546,706	-	-
	54,638,878	41,507,651	5,043,631,714	4,769,648,019
Less:- Provision for Doubtful Debts	3,546,706	3,546,706	-	-
	51,092,172	37,960,945	5,043,631,714	4,769,648,019
Advance Tax Paid	8,513,755,247	6,329,617,046		
Less:- Provision for income Tax	(7,028,741,656)	(6,305,729,443)		
	1,485,013,591	23,887,603		
<b>Net Total</b>	<b>9,204,584,731</b>	<b>4,087,875,403</b>	<b>24,720,021,849</b>	<b>22,573,485,559</b>

**Note No. 11**

(Amt in ₹)

<b>Inventories (Valued at Cost/Net Realisable Value whichever is lower)</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
<b>Raw Material -</b>		
Coal	2,747,815,170	4,688,161,812
Coal in Transit	481,841,852	248,714,734
Fuel Oil, LDO etc.	1,686,006,394	2,523,546,381
Stores and spares	11,692,113,062	11,375,307,390
Less:-Provision for loss on obsolescence of stores	2,376,132,111	1,689,299,036
<b>Net Total</b>	<b>14,231,644,368</b>	<b>17,146,431,281</b>

**Note No. 12**

(Amt in ₹)

<b>Trade Receivable</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
<b>- Outstanding for more than six months from due date</b>		
Secured, Considered good	-	-
Unsecured, Considered good	11,033,933,410	10,554,184,027
Doubtful	-	-
	<b>11,033,933,410</b>	<b>10,554,184,027</b>
<b>- Others debts</b>		
Secured, Considered good	-	-
Unsecured, Considered good	95,037,402,514	76,086,384,785
Doubtful	-	-
	95,037,402,514	76,086,384,785
<b>Total</b>	<b>106,071,335,924</b>	<b>86,640,568,812</b>

**Note No. 13**

(Amt in ₹)

<b>Cash and Cash Equivalents</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
(1) Balances with banks current Account	901,963,462	438,991,855
(2) Cash on hand	641,190	1,525,649
	<b>902,604,652</b>	<b>440,517,504</b>

**Note No. 14**

(Amt in ₹)

<b>Other Current Assets</b>	<b>As at 31-03-2015</b>	<b>As at 31-03-2014</b>
Inventory pending investigation	942,528,749	254,687,849
Less:- Provision for material pending investigation	(942,528,749)	(254,687,849)
	-	-
Assets held for Sale	464,644,371	467,840,296
Unbilled Revenue	2,986,860,481	2,442,936,426
	<b>3,451,504,852</b>	<b>2,910,776,722</b>

**Note No. 15**

(Amt in ₹)

<b>Revenue from Operations</b>	<b>2014-2015</b>	<b>2013-2014</b>
<b>Operating Revenue -</b>		
Revenue from sale of power	179,162,059,932	157,506,732,743
Less:-Electricity duty recovery	14,206,773	13,432,039
Less:-Tax on sale of electricity recovery	667,660	732,381
Revenue from sale of power	179,147,185,499	157,492,568,323
Revenue Subsidy	16,728,240	16,009,080
<b>Total</b>	<b>179,163,913,739</b>	<b>157,508,577,403</b>
<b>Other Operating Revenue-</b>		
Surcharge Income from consumers	10,510,435,446	7,873,557,000
Sale of rejected coals	25,607,692	250,412,500
Sale of Fly Ash	303,837,673	149,345,695
Less:- Transferred to Fly Ash Utilisation Fund	(303,837,673)	(149,345,695)
<b>Total</b>	<b>10,536,043,138</b>	<b>8,123,969,500</b>
<b>Total Revenue From Operations</b>	<b>189,699,956,877</b>	<b>165,632,546,903</b>

**Note No. 16**

(Amt in ₹)

<b>Other Income</b>	<b>2014-2015</b>	<b>2013-2014</b>
Interest income	4,380,434	5,752,895
<b>Other Non-Operating Income</b>		
Income from rent, hire charges etc.	32,994,718	41,086,324
Profit on sale of assets/stores/scrap	306,792,677	426,323,088
Sale of tender forms	27,206,357	19,632,370
Sundry Credit balance write Back	180,017,119	68,492,018

Other receipts	257,466,558	276,093,057
Gain on Foreign Exchange Variation (Net)	1,860,881,047	-
	<b>2,669,738,910</b>	<b>837,379,752</b>

**Note No. 17**

(Amt in ₹)

<b>Cost of Material Consumed</b>	<b>2014-2015</b>	<b>2013-2014</b>
Coal	107,204,249,783	94,887,698,044
Gas	9,750,217,959	6,907,712,446
Oil	3,325,101,196	6,563,302,982
Water	1,542,818,337	504,431,699
<b>Total</b>	<b>121,822,387,275</b>	<b>108,863,145,171</b>

**Note No. 18**

(Amt in ₹)

<b>Employee Benefit Expenses</b>	<b>2014-2015</b>	<b>2013-2014</b>
Salaries, allowances, Bonus etc.	7,674,732,979	8,709,066,092
Contribution to Provident Funds & other funds	878,466,032	736,723,805
Staff welfare expenses	138,591,328	129,310,523
Other staff costs	139,698,730	109,983,805
Leave encashment scheme	3,158,390,745	649,545,118
Gratuity	2,159,290,057	759,191,613
Provision for Shortfall in Plan assets	-	70,300,000
	<b>14,149,169,872</b>	<b>11,164,120,956</b>

**Note No. 19**

(Amt in ₹)

<b>Finance Cost</b>	<b>2014-2015</b>	<b>2013-2014</b>
<b>Interest on</b>		
State Government loans	56,300,000	92,500,000
Other loans	15,498,133,674	14,528,325,234
Borrowing for working capital	3,845,441,207	2,376,441,314
<b>Other Borrowings Cost</b>		
Government guarantee fees/ charges	60,110,070	77,706,142
Fees and other charges	66,450,749	34,746,639
	<b>19,526,435,700</b>	<b>17,109,719,329</b>

**Note No. 20**

(Amt in ₹)

<b>Other Expenses</b>	<b>2014-2015</b>	<b>2013-2014</b>
Rent	150,593,449	150,697,926
Lease rent	5,482,300,000	5,601,596,000
<b>Repairs and Maintenance</b>		

Plant & machinery & Building	7,391,697,033	6,423,192,437
Ash Handling Expenses	431,272,356	307,254,020
Repair & Maintenance - Others	3,811,485	456,636,172
Insurance charges	118,482,943	101,348,781
Rates and taxes	190,762,913	148,707,649
<b>Others -</b>		
Lubricants, consumables & stores including obsolescence	852,848,984	269,146,080
Domestic Water	10,377,488	14,578,981
Legal and professional charges	68,421,287	89,726,384
Auditor's remuneration (Refer note 26)	6,736,235	5,124,595
Commission to agents	84,970,566	115,662,557
Other Bank Charges	90,596,425	148,448,804
Contribution towards assets not owned by Company / CSR expenditure	130,714,908	44,401,996
Provision for doubtful advances	128,914,439	19,164,397
Other general expenses	1,082,045,216	913,755,987
Loss on fixed assets sold / scrapped	-	64,803,202
Loss on obsolescence of Fixed Assets	25,186,050	47,624,681
Loss on foreign exchange variance (Net)	-	1,322,865,029
	<b>16,249,731,777</b>	<b>16,244,735,678</b>
Expenses transferred to Fly Ash utilization fund	303,837,673	149,345,695
	<b>15,945,894,104</b>	<b>16,095,389,983</b>

**Note No. 21**

(Amt in ₹)

Prior period (credits)/charges (net)	2014-2015	2013-2014
<b>Income</b>		
Other income	(118,052,150)	47,801,845
Other excess provisions in prior periods	-	1,421,432,383
Coal /Gas Related Gain	-	-
(Exces)s/ short provision for depreciation	(10,821,791)	5,538,0107
Receipts from consumers	-	123245530
	<b>(128,873,941)</b>	<b>1,647,859,865</b>
<b>Expenses</b>		
Fuel related (gains) / losses	-	20,924,739
Net Interest and finance charges	-	-
Operating expenses	48,570,134	13,694,209
Employee costs	-	900,177
Excess in billing of earlier years	-	11,843,904
Material related expenses	-	4,055,298
	48,570,134	51,418,327
	<b>(80,303,807)</b>	<b>(1,596,441,538)</b>

**21a) Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 17,631,127,762 (Previous Year – ₹ 32,572,234,609).

**21b) Other Significant Commitments**

- a) Company has entered into Power Purchase Agreement with MSEDCL for Sale of power generated by the company & this agreement remains operative for the period of twenty-five years unless extended or terminated earlier.
- b) Agreement / Order has been made / placed with M/s. Ultra Tech cement Ltd. for Sale/ Disposal of fly ash on long term for 15 years basis ending in FY 2023-24.
- c) Coal linkage of 46.504 Million MT per annum has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price. The Fuel supply agreement of coal is valid upto year 2029.
- d) Company has gas purchase and transportation agreement with Gas Authority of India Ltd. and Reliance Ltd. towards 3.5 MMSCMD and 1.2 MMSCMD respectively.

**22) Fly Ash Utilisation Fund**

The income from sale of fly ash is being accumulated in a separate fund and amount spent on expenditure incurred for promotion of fly ash utilisation is reduced therefrom to the extent of accumulation and the excess if any is recognised as expense in the Statement of Profit and Loss. Such presentation and disclosure does not have any net impact on the profit or loss for the year. This presentation and disclosure is in accordance with the guidelines issued by MOE&F dated 03-11-2009. Accordingly, sale of fly ash of ₹ 303,837,672 (PY ₹ 149,345,695) and equivalent expenses are reduced therefrom as disclosed in note no. 2(A).

**23) Contingent Liabilities (not provided for) : (in excess of ₹ 10 lakhs individually in value)**

Sr. No.	Particulars	2014-2015 (₹)	2013-2014 (₹)
a)	Bank Guarantee issued by Bankers of company in favour of Third Parties	32,118,321	138,975,000
b)	Bank Guarantee / Letter of Credit issued by Bankers of company	4,188,699,422	68,600,000
c)	Claims against company not acknowledged as debts	12,698,814,306	11,756,805,338
d)	Disputed Duties / Tax Demands	1,110,421,482	36,311,092

**24) Share Capital****Share Application Money Pending Allotment****Opening Equity Capital**

Pursuant to the transfer scheme of the erstwhile MSEB framed for the purpose of restructure of the electricity board, an amount of ₹ 25,633,633,537 has been allocated to the Company as equity share capital. As per the scheme, the Company is required to issue equity shares of the said amount to MSEB Holding Company Limited. Accordingly Shares amounting to ₹ 25,000,000,000 have been allotted to MSEB Holding Co. Ltd. during the year 2008-09 and ₹ 633,633,537 has been shown under 'Share Application Money Pending Allotment'. However, the transfer scheme is yet to be finally approved by Government of Maharashtra. Upon such approval, the final balance amount of shares will be allotted.

### Subsequent Receipts of contribution towards Equity –

As per the understanding with the Government of Maharashtra (GOM), the Company would receive 20% equity support towards setting up of new power plants in the state of Maharashtra. As per the understanding with the GOM the shares are to be issued at par. Such equity support is contributed through MSEB holding Company Limited.

GOM has been contributing such equity support since financial year 2006-07. No time frame has been defined at the time of contribution for allotment of shares. Accordingly the Company has been accounting such amounts received under the head “Share application money pending allotment.” The balance excluding opening equity under the head Share application money pending allotment as at March 31, 2014 was ₹ 13,695,465,360. During the year the Company has received ₹ 7,463,163,000 and the board has allotted 1,248,914,400 equity shares at par amounting to ₹ 12,489,144,000 to MSEB holding Company Limited. The balance (excluding opening equity) of ₹ 8,669,484,360 as at March 31, 2015 would be issued to the MSEB holding Company Limited on approval of such allotment by the board.

The Company has sufficient authorized capital to issue the shares pending allotment

### 25a) Details of Loans

For details of loans please refer Annexure – A (Long Term Borrowings) and Annexure –B (Short Term Borrowings)

25b) The charge/mortgage created against assets of the Company as securities in respect of the loans, taken by the erstwhile Maharashtra State Electricity Board, which are subsequently transferred to the Company on June 06, 2005 pursuant to the transfer scheme notified by the State Government, continues to be valid and binding on the Company. (Refer Annexure A)

### 26) Payment to Auditors

Particulars	2014-2015 (₹)	2013-2014 (₹)
As Auditors – For Statutory Audit	5,400,000	4,050,000
For Other Services	0	0
Reimbursement of expenses	668,795	574,015
Service tax on audit fees	667,440	500,580
<b>Total</b>	<b>6,736,235</b>	<b>5,124,595</b>

### 27) Value of imports calculated on CIF basis

Particulars	2014-2015 (₹)	2013-2014 (₹)
Raw Material	Nil	Nil
Components and Spare parts	Nil	3,986,741
Capital Goods	Nil	Nil

28) Value of imported & indigenous raw materials, stores, spare parts and component consumed and percentage of each to the total consumption including for Repairs & Maintenance:

A)	Particulars	2014-15		2013-14	
		%	₹	%	₹
	Indigenous	100	101,280,367,140	100	103,667,860,054
B)	Stores, Spares and Component				

Imported	0.23	48,11,134		0
Indigenous	99.81	257,70,97,836	100	549,23,38,601
<b>Total</b>		<b>258,19,08,970</b>		<b>549,23,38,601</b>

## 29) Break Up of Energy Sold

(Value in ₹)

Power Plant	2014-15	2013-14
Hydro	6,170,953,339	7,667,575,969
Thermal	155,278,427,615	135,426,761,099
Gas	10,639,355,824	8,292,090,293
Solar	3,338,041,664	2,821,245,451
<b>Total</b>	<b>175,426,778,442</b>	<b>154,207,672,812</b>
Above is excluding sales to residential colony & surcharge and other true up / adjustment bills amounting to ₹ 1424,75,70,743 (PY ₹ 11,174,461,591)		

- 30) Revenue Subsidy / Grant – During the current year the company has recognized revenue from sale of power through solar project amounting to ₹ 3,338,041,664 (PY ₹ 2,821,245,451) and has lodged claim of ₹ 16,728,240 (PY ₹ 16,009,080) @ ₹ 12 per Unit with Government of India towards Revenue subsidy / Grant in the form of Generation Based Incentive.
- 31) Company raises energy sale bill, Fuel Adjustment Charges Bill, Surcharge bill etc to MSEDCL. The funds received from MSEDCL are appropriated on First In First Out Basis. While doing so, the receipts are appropriated firstly towards interest on delayed receipts and subsequently towards the principal amount due from MSEDCL.

The balances of Trade Receivables, loans and advances are subject to confirmation and reconciliation if any.

In the opinion of the Board of Directors, the Current / Non-Current assets, long/short term loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated other wise in the Accounts.

- 32) Short Term Loans and advances include an amount of ₹ 11,861,505,038 (PY ₹ 11,077,715,131) towards advances paid to coal suppliers. Against these advances the company has liability for supply of coal amounting to ₹ 12,304,581,577 (PY ₹ 10,338,622,276) which is included in Trade Payable under the head current liabilities. Pending final passing of bills for coal supplied by these coal suppliers, the said advances and liabilities have not been adjusted.
- 33) An amount of ₹ 464,644,371 (PY ₹ 467,840,296) under the head ‘Assets held for sale’ represents assets which are not in active use and the management has decided to dispose such assets. In view of the management, the net realizable value would be higher than the carrying value in the books and therefore does not require any provisioning.
- 34) Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSME) Act, 2006 have been determined based on the information available with the company and the required disclosures are given below.

	Particulars	Amount
a)	Amount remaining Unpaid to any supplier	
	Principal Amount	7,659,638
	Interest Due thereon	303,204
b)	Interest paid by the company alongwith payment made beyond appointed day during the year	-
c)	Amount of interest accrued and remaining unpaid	1,891,309
d)	Further interest remaining due and payable even in the succeeding year until such date when interest is actually paid to small enterprise	3,874,581

**35) Disclosures required by Accounting Standards**

## a) Employee Benefits

## i) Short Term Employee Benefits

Short term employee benefits like salaries, wages, allowances, perquisites, bonus, incentives, medical expenses reimbursements, contribution to group insurance schemes, leave travel assistance and other benefits which fall due within twelve months after the end of the period in which the employee renders the related services are accounted as expenses in the period in which services rendered.

## ii) Post Employment Benefits : Defined Benefit Plan

**Provident Fund:**

The Company makes contributions towards provident fund to a defined benefit retirement plan. The provident fund is administered by the Trustees of The Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). Under the scheme, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident funds are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The liability for the shortfall of interest is required to be accounted based on an actuarial valuation. The said Trust has not carried such actuarial valuation for the shortfall, if any, as at March 31, 2015. In the absence of the requisite details and information, the company accounted the shortfall based on the provisional financial statements of the trust as at March 31, 2015. Accordingly company has recognized ₹ Nil (PY ₹ Nil) liability (based on provisional accounts of CPF Trust) [being surplus to CPF Trust].

The amount recognized in balance sheet in respect of Company's share of assets and liabilities of the fund managed by the CPF Trust is as follows (based on provisional accounts of CPF Trust).

	<b>Particulars</b>	<b>31st March, 2015</b> <b>(₹) (Unaudited)</b>	<b>31st March, 2014</b> <b>(₹) (Unaudited)</b>
1	Liability for subscriptions and interest payable to employees at the end of year	15,295,100,000	14,332,600,000
2	Fair Value of Plan Assets at the end of year	15,431,200,000	14,262,300,000
3	Net Liability	Nil	70,300,000

**Description of Plan Assets**

	<b>Particulars</b>	<b>For the year ended</b> <b>31st March, 2015</b> <b>(in %) (Unaudited)</b>	<b>For the year ended</b> <b>31st March, 2014</b> <b>(in %) (Unaudited)</b>
1	Special Deposit Schemes	31.64	34.12
2	Bonds issued by public sector enterprises and Financial institutions	33.95	33.63
3	State Government Securities	15.27	14.89
4	Central Government Securities	18.28	16.49
5	Others	0.86	0.87

Gratuity (Unfunded Defined Benefit Plan) & Leave Encashment:

Leave Encashment Benefit (Unfunded Defined Benefit Plan):

Leave encashment is payable to all the employees as per the company's scheme. The whole of privilege leave (PL) / Half Average Pay (HAP) Leave to the credit of employee can however be encashed at the time of super Annuation / final settlement of his account. Encashment of leave is done only on the applicable PL / HAP salary.

Defined Benefit Plans – Gratuity and Long Term Compensated Absences – as per actuarial valuations as on March 31, 2015 and recognized in the financial statements in respect of Employee Benefit Schemes:

#### Expenses recognized in the Profit and Loss Account

Particulars		For the year ended 31st March, 2015 (₹)		For the year ended 31st March, 2014 (₹)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Components of Employer Expense	Unfunded	Unfunded	Unfunded	Unfunded
1	Current Service Cost	120,156,437	107,317,933	132,980,468	92,596,649
2	Interest Cost	413,905,533	358,592,260	367,025,882	308,330,940
3	Curtailment Cost / (Credit)				
4	Settlement Cost / (Credit)				-
5	Past Service Cost				-
6	Actuarial Losses / (Gains)	1,586,978,856	2,299,050,820	252,730,614	242,701,022
7	Total expense recognized in the Statement of Profit and Loss Account	2,121,040,826	2,764,961,013	752,736,964	643,628,611

The gratuity expenses have been recognized as 'Gratuity' and Leave Encashment expenses as 'Leave Encashment Scheme' in "Employee Benefit Expenses" under Note no. 18.

#### Reconciliation of Defined Benefit Obligation

Particulars	31st March, 2015 (31st March, 2014) (₹)	
	Gratuity Unfunded	Leave Encashment Unfunded
Change in Defined Benefit Obligations		
Present Value of Defined Benefit Obligation at the beginning of period	4,474,654,412 (4,587,823,519)	3,876,673,079 (3,854,136,745)
Current Service Cost	120,156,437 (132,980,468)	107,317,933 (92,596,649)
Interest Cost	413,905,533 (367,025,882)	358,592,260 (308,330,940)
Past Service Cost	--	--
Curtailment Cost / (Credit)	--	--
Settlement Cost / (Credit)	--	--
Actuarial( Gains) / Losses	1,586,978,856 (252,730,614)	2,299,050,820 (242,701,022)

	Benefits Paid	1,391,492,089 (865,906,071)	1,082,836,736 (621,092,277)
	Present Value of Defined Benefit Obligation at the end of period	5,204,203,149 (4,474,654,412)	5,558,797,356 (3,876,673,079)

**Summary of Actuarial Assumptions**

	Particulars	For the year ended 31st March, 2015 (₹)	
		Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Increment Rate	5%	5%
2	Rate of Discounting	7.95%	7.95%
3	Attrition rate	2%	2%
4	Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

**b) Segment Reporting**
**Business Segment**

Electricity generation is the principal business activity of the Company. There are no other activities which form a reportable segment as per the Accounting Standard – 17 ‘Segment Reporting’.

**Secondary Segment**

The operations of the Company are mainly carried out within the state of Maharashtra and therefore geographical segments are not applicable.

**c) Disclosures of transactions with Related Parties required by the AS - 18:**

In view of the paragraph 9 of AS 18, no disclosure is required as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

Other disclosures as required by AS 18 are as under:

**Remuneration paid to Directors**

	Name of Related Party	Nature of Relationship	2014-15 (₹)	2013-14 (₹)
i)	Mr. Bipin Shrimali	Chairman & Managing Director (from 05-01-2015 to 31-03-2015)	451,120	-
ii)	Mr. Asheesh Sharma	Chairman & Managing Director (from 01-04-2013 to 05-01-2015)	1,960,350	1,430,431
iii)	Mr. J.K. Shrinivasan	Executive Director (Finance) upto 25-05-2014 & Director (Finance) from 26-05-2014 to 31-03-2015)	2,424,920	1,405,656
iv)	Mr. S.M.A. Naqvi	Director (Finance) (from 26-12-2012 to 26-8-2013)	-	443,273

v)	Mr. C.S.Thotwe	Executive Director (Project) upto 27-08-2013 and Director from 28-8-2013 to 31-3-2015	2,724,431	1,572,471
vi)	Mr. V.P.Singh	Executive Director (01-04-2013 to 31-07-2013) and Director (Operation) from (28-08-2013 to 31-03-2015)	3,657,500	5,831,424
Remuneration to Key Managerial Persons				
i)	Mr. A.R. Nandanwar	Executive Director (1-2-2013 to 31-03-2015)	2,274,860	1,508,318
ii)	Mr. V.S.Patil	Executive Director (01-04-2013 to 20-06-2013)	-	337,283
iii)	Mr. Manoj Ranade	Executive Director (HR) (16-10-2013 to 31-03-2015)	1,593,567	470,019
iv)	Mr. Rahul Dubey	Company Secretary (17-01-2006 to 31-03-2015)	1,508,732	1,083,353

**d) Disclosures regarding leases**

Operating Leases - Company's significant leasing arrangements are in respect of operating leases.

MSEB Holding Company Ltd. Lease - The Company has entered into the lease agreement with MSEB Holding company Ltd., initially for two years with effect from 01-04-2008 in respect of office premises occupied at Head Office i.e. Prakashgad and Dharavi, guest house at New Delhi and residential quarters at various places in Mumbai for which lease rent is payable to the extent of ₹ 118,867,935 p.a. for FY 2014-15 (PY ₹ 118,867,935). Further with effect from 27-05-2014, it has been mutually agreed among the group to extend the Agreement upto 31-03-2018 on same terms and conditions. Further the Company is also occupying certain part of premises at HSBC Building, Fort for which there is no lease agreement and hence there has been no provision for proportionate share of expenses for the past year. However expenditure will be accounted for on finalization of agreement.

Hydro Lease - MERC has issued order for revised lease rentals to be paid to Government of Maharashtra (GOM) with effective from 2012-13 in respect of various hydro power stations under the control of the Company. During year 2014-15 company has provided for lease rent of ₹ 3,215,400,000 (PY ₹ 3,262,596,000). Similarly, on the basis of Lease Rent order in respect of Ghatghar HPS dated 27-12-2012, Company has provided for ₹ 2,266,900,000 (PY ₹ 2,339,000,000) Further, vide letter dated 03-03-2011, GOM has informed that it would be taking over Bhatghar, Yeldari and Vaitarna HPS for Renovation and Modernization. However, at present these HPS are still in the possession of the Company and are being operated by the Company, hence the accounting effect of the same would be considered in the Books of Accounts of the Company in the year in which these HPS would be handed over to GOM.

The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra, hence other necessary disclosures as required by Accounting Standard 19 'Accounting for Leases' have not been made.

Uran Leasehold Land - Company has acquired 190,799 sq. mtrs of land at Uran for the purpose of implementing Gas based Expansion project. The land for the said project has been acquired from CIDCO on lease vide Lease Deed dated 03-06-2008 for a period of sixty years at the cost of ₹ 429,300,000 and the same is being amortised.

**e) Earning Per Share:-** For the purpose of calculating Earning Per Share, the share application money pending allotment has been considered being confirmed allotment.

	2014-15	2013-14
Profit After Tax as per Accounts (Amount in ₹) (For Basic and Diluted Earnings Per Share) – (A)	4,357,843,458	1,110,432,565
Weighted Average number of shares outstanding during the year for Basic EPS (Nos.) – (B) *	8,350,499,715	7,477,773,744
Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) – (C)	8,350,499,715	7,477,773,744
Basic Earnings Per Share (A) / (B) (Amount in ₹)	0.52	0.15
Diluted Earnings Per Share (A) / (C) (Amount in ₹)	0.52	0.15
* Weighted average number shares includes shares to be allotted towards share application money. The Earning Per Share has been calculated for each share with nominal value of ₹ 10.		

**f) Taxation**

In the absence of any taxable income for the year as per the provisions of the Income Tax Act, 1961, tax liability is calculated at the minimum alternate tax (MAT) rate under section 115JB of the Income Tax Act, 1961 and provision of ₹ 2,166,000,000 (PY ₹ 723,000,000) has been made for the same. Since there is no convincing evidence that the Company will pay normal income tax during the specified period, the same has been charged to Statement of profit and loss and has not been treated as asset, as per Guidance Note on 'Accounting for Credit Available in Respect of Minimum Alternative Tax Under the Income-tax Act, 1961' issued by the Institute of Chartered Accountants of India.

**g) Joint Venture Operations**

UCM Coal Company Ltd.

The Ministry of coal had allocated Chendipada coal blocks of Talcher Coalfields in Orissa jointly to the company, Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. and Chattisgarh Mineral Development Corporation. For this purpose a Joint Venture company namely UCM Coal Company Ltd. (domicile India) has been incorporated for executing proposed mining project with a paid up capital of ₹ 1,600,000 (160,000 equity shares of ₹ 10 each) out of which Company has held equity shares amounting to ₹ 300,000 (30,000 equity shares of ₹ 10 each) . The company has shareholding of 18.75% in the joint Venture. Based on the unaudited accounts of UCM Coal Company Ltd., the assets and liabilities as at 31st March 2015 in respect of the company's share in the above joint venture operation is as under:

Particulars	31-03-2015	31-03-2014
	Unaudited	Audited
Reserves & Surplus	(156,270)	(54,289)
<b>Non-Current Liabilities</b>		
Long Term Liabilities	937,500	937,500
Long Term Provisions	335,036	335,036
<b>Current Liabilities</b>		
Short Term Provisions	46,310	148,923
<b>Non-Current Assets</b>		
Net Block of		
Tangible Assets	5,025	7,240
Intangible Assets	342	1,481

<b>Current Assets</b>		
Cash and Others	1,457,210	1,658,449
The unaudited draft accounts of UCM Ltd discloses ₹ Nil contingent liability. Thus, there is no such share of any contingent liability as on 31/03/2015		

There are no outstanding Foreign Currency contracts as on 31-03-2015 which are hedged by the company.

**h) Disclosure on Changes in Accounting Policy**

The coal which is not pulverized in coal mill is expelled out as rejected coal & thus it is wastage generated in the process of pulverization of coal. As on 31-03-2015, Company has a rejected coal stock with expected realizable value of ₹ 711,093,648. The expected realizable value of reject coal stock has been arrived at based on last auction rate and the quantity of stock at respective power station. Upto previous year Company used to recognize this stock in the books of accounts. However due to change in policy to account for the same when the stock is lifted, the same has not been accounted for during the current year. Had the company followed the same accounting policy as previous year, the profit would have been higher by ₹ 711,093,648.

**i) Disclosure on coal washery operator claims**

Company had in earlier years engaged Coal Washeries for the purpose of washing the raw coal as provided by the company to them on agreed terms. Since the contractual obligations were not performed by the washery operators, the matter went into dispute. The matter is legally pursued by the company. The stock of raw coal supplied by the company for washing, were not returned by the operators to the company. Consequently, company had created a full provision for loss on this account against the stock with washery operators as appearing in the books of the company. However, considering that there has been a considerable time lag and stock would not be physically available with the washeries / the stock would have perished, the Company has during FY 2013-14 has transferred the amount of stock lying the operators from inventories to a claim receivable from washery operators since the process of recovery through bank guarantee has initiated. Similarly the provision for loss created against such stock was transferred to provision for doubtful debts which amounts to ₹ 1,158,405,911.

**j) Previous year figures have been regrouped wherever necessary.**

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2015

(Amt in ₹)

	2014-15	2013-14
<b>Cash flow from Operating Activities</b>		
<b>Net Profit After Taxes</b>	<b>4,357,843,458</b>	<b>1,110,432,565</b>
Adjustments for:		
Provision for Taxation	5,731,740,490	2,089,255,257
Current Year and Prior Depreciation and amortisation	10,874,684,995	11,601,979,018
Interest Income	(4,380,434)	(5,752,895)
Interest and finance charges	19,526,435,700	35,034,594,478
Provision for obsolescence of Stores	686,833,075	(246,288,373)
Provision for obsolescence of Capital Asset	25,186,050	47,624,681
Profit on sale of fixed assets	(75,063,969)	(4,309,084)
Loss on sale of fixed assets	1,125,179	64,803,202
Gain on foreign exchange	(1,860,881,047)	0
Bad Debts Provided	128,914,439	19,173,509
<b>Operating profit before working capital changes</b>		
Trade & Other Receivables	(27,363,655,299)	4,846,413,015
Inventories	2,227,953,838	3,919,719
Trade & Other Payables and Provisions for employee benefits	9,410,075,512	(8,798,821,931)
<b>Cash Generated from Operations</b>	<b>(15,725,625,949)</b>	<b>(3,948,489,197)</b>
Taxes paid	(1,204,932,778)	(3,567,884,995)
	(1,204,932,778)	(3,567,884,995)
<b>Net Cash from Operating Activities</b>	<b>22,461,879,209</b>	<b>24,270,263,017</b>
<b>From Investing Activity</b>		
Purchase of Fixed Assets including Capital Work In progress	(32,334,586,439)	(42,228,858,147)
(Purchase)/Sale of Investments - of Joint Ventures	25,000,000	0
Interest Income	4,380,434	5,752,895
	(32,305,206,005)	(42,223,105,252)
<b>From Financing Activity</b>		
Increase in grants	25,734,333	50,547,466
Increase in Equity	7,463,163,000	13,043,030,000
Borrowings	22,264,776,946	37,178,720,038
Interest & Finance charges	(19,448,260,335)	(33,087,249,746)
	10,305,413,944	17,185,047,758

<b>Net Increase / (Decrease) In cash</b>		<b>462,087,148</b>		<b>(767,794,477)</b>
Opening Balance				
Cash	1,525,649		10,834,954	
Bank	438,991,855	440,517,504	1,197,477,027	1,208,311,981
<b>Closing Balance</b>				
Cash	641,190		1,525,649	
Bank	901,963,462	902,604,652	438,991,855	440,517,504

As per our report attached  
**For M P Chitale & Co.**  
Chartered Accountants  
FRN: 101851W

(CA Ashutosh Pednekar)  
Partner  
M.No. 041037

**For Borkar & Muzumdar**  
Chartered Accountants  
FRN: 101569W

(CA Devang Vaghani)  
Partner  
M. No. 109386

**For Ummed Jain & Co.**  
Chartered Accountants  
FRN: 119250W

(CA Akhil Jain)  
Partner  
M.No. 137970  
Mumbai, 23<sup>rd</sup> September, 2015

**For Maharashtra State Power Generation Co. Ltd.**

J. K. Srinivasan  
Director (Finance)  
DIN No. 01220828

Bipin Shrimali  
Chairman & Managing Director  
DIN No. 03272135

S.K. Labde  
Chief General Manager (A)

Rahul Dubey  
Company Secretary  
M No. A14213

## INDEPENDENT AUDITORS' REPORT

To The Members Of Maharashtra State Power Generation Co. Ltd, Mumbai

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED** (“the Holding Company”) and its subsidiaries (hereinafter referred to as “the Group”, which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information hereafter referred to as consolidated financial statements.

### Management’s responsibility for the Standalone Financial Statements

2. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position and financial performance of the Group 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, particularly Accounting Standard 21, Consolidated Financial Statements. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors’ Responsibility

- 3.1 Our responsibility is to express an opinion on these consolidated financial statements based on our audit
- 3.2 We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
- 3.3 We have placed reliance on audit reports issued by auditors of subsidiary companies, referred to in the paragraph on “Other Matters” stated below, and on the basis of such reliance, we have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those auditing 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.
- 3.4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding company’s preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on whether the Group has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company’s Directors, as well as evaluating the overall presentation of the consolidated financial statements.

- 3.5 We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors, in terms of their report, referred to in the paragraph on “Other Matters” stated below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Basis for Qualified Opinion**

4. We invite attention to:-

- (i) *Note No, 2 of Notes to Accounts regarding The Assets and Liabilities of the Company contain balances transferred under the transfer scheme as on 6th June, 2005 by The Maharashtra Electricity Reforms Transfer Scheme 2005. As per the information given to us, these balances of Fixed Assets, Non-current Assets, Current Assets, Non-current Liabilities and Current Liabilities as approved by MSEDCL Holding Company Ltd. have been incorporated in the company's books of accounts. Final transfer scheme is yet to be notified by the Government of Maharashtra. Any changes in these figures if made, at the time of final notification may have an impact on Balance Sheet and Profit & Loss Account items.*
- (ii) *As stated in note no.31 of Notes on Accounts the balances of loans and advances, deposits, Liability for supply of material, inventories and balances of coal companies are subject to confirmation from respective parties and/or reconciliation with subsidiary records, as the case may be. Pending such confirmation and completion of reconciliation, the consequential adjustments could not be made. Further, due to non-availability of account-wise overdue amounts beyond reasonable period for certain balances of loans and advances, the amount of provision required for a specific account, if any, could not be ascertained. In view of the same, we are unable to comment on the consequential impact on the status of these balances and the profit of the Company.*
- (iii) *As stated in note no. 32 of Notes on Accounts the loans and advances include ₹ 1,186.15 crore towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to ₹ 1,230.46 crore. Pending final passing of the bills, the Company has not set off the said liability against the advance paid. This has resulted in overstatement of the respective assets and liabilities of the Company. The impact of the above on the profit of the Company is not ascertained.*
- (iv) *The Company, in terms of Power Purchase Agreement with the Maharashtra State Electricity Distribution Company Limited (MSEDCL) has recognized income during the year of Surcharge being interest on delayed payment amounting to ₹ 1,051.04 crore under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to ₹ 1,775.84 crore as on March 31, 2015. Further, the Company is in the process of reconciling various invoices for the year and earlier years with MSEDCL amounting to a net difference of ₹ 4.02 crore. Considering the non acceptance of billing by MSEDCL and account reconciliation, we are unable to comment on the reliability of such income and the impact on;*
- (a) *the profit of the Company for the year,*
- (b) *the value of Trade Receivables*
- (c) *the value of unbilled revenue and*
- (d) *the Reserves and surplus.*

#### **Qualified Opinion**

5. *In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and subject to our observations in point (i) to (iv) of para 4 above the effect of which on the profit for the year and net assets as at March 31, 2015 is unascertainable, 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 March 31, 2015, and its profit for the year ended on that date.*

#### **Emphasis of Matters:**

6. We draw attention to following notes:

- (a) Note no. 35(d) regarding agreements with the government of Maharashtra in respect of various hydro power generation

facilities that are yet to be executed and the consequent disclosures under Accounting Standard 19 “Leases” issued under the Companies (Accounting Standards) Rules, 2006 pending execution of the lease.

- (b) Note no. 35(a)(ii) regarding accounting of shortfall/excess if any, based on the provisional accounts of the CPF, in the absence of the requisite details and information.
- (c) In case of Dhopave Coastal Power Limited, Company has borrowed loans aggregating to ₹ 15.32 crores from its holding company and sister subsidiary of the holding company, which is substantially higher than its share capital of ₹ 0.05 Crores. Attention is invited to Note no. 1(a)(v) of the notes stating that despite the above, the financials statements of the Company have been prepared on Going Concern, based on the undertaking of holding company to provide continuous financial support.
- (d) One subsidiary company, Mahaguj Collieries Limited (the Subsidiary), has an amount of ₹ 54.41 Crores disclosed as asset being in the nature of Miscellaneous expenditure and Deferred Revenue Expenditure in terms of its Accounting policy described in Note 1.13 of the Audited Financial Statements. As per the policy, the excess amount of running expenses over income for the year is transferred to Pre-Operative Expenditure Pending Allocation being in the nature of Deferred Revenue Expenditure. In view of the Cancellation of the coal block, recoverability of the above amount may subject to the Ministry of Coal mechanism for payment of the expenditure of the prior allottee (the subsidiary) through subsequent successful bidder.

Our opinion is not qualified in respect of above matters.

#### 7. Other Matters

We did not audit the financial statements of subsidiaries of the Company, whose financial statement reflect total assets of ₹ 23.87 crores and revenue of ₹ 0.02 crores. The financial statements of these subsidiaries have been audited by other auditors, whose reports have been furnished to us, and our opinion, on the consolidated financial statements, in so far as it relates to amounts and disclosures included in respect of such subsidiaries and our report in terms of Section 143 (3) & (11) of the Act, in so far as it relates to subsidiaries, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### 8. Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Companies Act 2013, based on our audit of the Holding company and by placing reliance on the report of the other auditors on the separate financial statements of subsidiaries referred to in the paragraph on “Other Matters”, we report that:

- (a) We have sought and, *except for the possible effect of the matter described in sub-paragraph 4 of the Basis for Qualified Opinion above*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) *Subject to our observations in para 4 above*, in our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Consolidated Balance Sheet and Consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) *Subject to our observations in para 4 above*, in our opinion, aforesaid consolidated financial statements comply with Accounting

Standard, referred to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, particularly Accounting Standard 21, Consolidated Financial Statements.

- (e) Being a Government Company, pursuant to the notification number GSR 829(E) dated October 21, 2003 issued by the Government of India, the provisions of Section 164(2) of the Companies Act, 2013 are not applicable to the Company.
9. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and by placing reliance of the audit reports on the separate financial statements of the company its subsidiaries:
- (i) The Group has disclosed the impact of pending litigations in its financial statements. - Refer Note 23 to the financial statements.
- (ii) The Holding Company and subsidiaries do not have any long-term contracts which require it to make provision for material foreseeable losses. Also, none of the companies has entered into any derivative contracts.
- (iii) None of the companies in the group were required to deposit or pay any dues in respect of the Investor Education and Protection Fund during the year.
10. As required under Section 143(5) of the Companies Act, 2013, we give in the Annexure I, a Statement on the Directions issued by the Comptroller and Auditor General of India after complying the Suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the company.
11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, based on the comments in the separate financial statements of the Holding company and its subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Borkar & Muzumdar**  
Chartered Accountants  
**FRN: 101569W**

**For Ummed Jain & Co**  
Chartered Accountants  
**FRN: 119250W**

**For M P Chitale & Co**  
Chartered Accountants  
**FRN: 101851W**

**CA Devang Vaghani**  
Partner  
**ICAI M No. 109386**

**CA Akhil Jain**  
Partner  
**ICAI M.No.137970**

**CA Ashutosh Pednekar**  
Partner  
**ICAI M No. 041037**

Place: Mumbai  
Date: 23<sup>rd</sup> September, 2015

**ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 7 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED ON MARCH 31, 2015**

**Comments on directions u/s 143(5) of Companies Act 2013**

Statutory auditors of Dhopave Coastal Power Limited and Mahaguj Collieries Limited have not submitted report as required under section 143(5) of Companies Act 2013 and hence the compilation of the below information is done on the basis of available reports:

- 1) **If the company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process.**

**Holding Company:**

The Company has not been selected for 'Disinvestment' purpose. Hence, the information sought is Not Applicable to the company.

**Dhule Thermal Power Co. Ltd:**

No, Company has not been selected for disinvestment.

- 2) **To report whether there are any cases of waiver/write off of debts/loans/interest etc. if yes the reasons thereof, and the amount involved.**

**Holding Company:**

During the course of audit and as per information and explanations given to us, there were no cases/instances of waiver/write-off of any loans/debts/interest etc., by the company during F.Y.2014-15.

**Dhule Thermal Power Co. Ltd:**

There are no cases of waiver/write off of loans/interest etc. observed during the year.

- 3) **Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government and other authorities?**

**Holding Company:**

The Company sends its inventories / materials to third parties only for maintenance operations or fabrication activities. As informed to us, the Company has proper records for such inventories. We have been informed that there are no assets received as gift from the Government during the year.

**Dhule Thermal Power Co. Ltd:** Not Applicable.

- 4) **A report on age-wise analysis of pending legal/arbitration cases, including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.**

**Holding Company:**

Company discloses pending legal/arbitration cases as Contingent Liabilities as identified by the company.

The age wise analysis of 367 pending legal /arbitration cases given below:

Age of cases	No of cases
Less than one year	33
1 to 2 years	55
2 to 3 years	17
3 to 5 years	38
More than 5 years	189
Others unattended	35
<b>Total</b>	<b>367</b>

Cases are generally pending due to (i) hearing are in process or not yet completed for the want of additional details/ documents required by arbitrators/courts (ii) non fixation of dates or stay granted by the courts. The company keeps the details of expenditure incurred for each case.

**Dhule Thermal Power Co. Ltd:** Not Applicable.

#### Comments on Sub-directions u/s 143(5) of Companies Act 2013

- 5) **In the cases of Thermal Power Projects , compliance of various Pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.**

**Holding Company:**

The Company has represented that it has complied with the requirements of various pollution control acts including utilization and disposal of ash during the year 2014-15. The above information regarding compliance of various Pollution Control Acts and the impact thereof including utilization and disposal of ash has not been independently verified by us.

**Dhule Thermal Power Co. Ltd:** Not Applicable

- 6) **Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?**

**Holding Company:**

No, company has not entered into revenue sharing agreements with private parties for extraction of coal.

**Dhule Thermal Power Co. Ltd:** Not Applicable as no generation activity started so far.

- 7) **Does the company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc, are properly recorded in the books of accounts?**

**Holding Company:**

Yes, company has the system for reconciliation of quantity/quality of coal ordered and received. However the current process needs to be strengthened. Company recognizes the liability of coal on the basis of grades mentioned in suppliers' invoice instead of the grade determined by its internal chemist in the respective unit. Claim for coal grade slippage has been made on the basis of coal grade differences observed at loading end by Companies representative and suppliers representatives jointly vis-à-vis Grade allocated to Colliery.

**Dhule Thermal Power Co. Ltd:** Not Applicable as no generation activity started so far.

- 8) **How much share of free power was due to the State Govt. and whether the same was calculated as per the agreed terms and depicted in accounts as per accepted accounting norms?**

**Holding Company:**

As informed by the Company, there is no share of free power to the State Govt., under any agreement.

**Dhule Thermal Power Co. Ltd:** Not Applicable as no generation activity started so far.

- 9) **In the case of Hydroelectric Projects the water discharge is as per policy /guidelines issued by state govt. to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.**

**Holding Company:**

Water discharge is governed by Water Resource Department (WRD) of State Govt., and as informed, the company has no role in the same. No penalty has been payable/paid towards water discharge.

**Dhule Thermal Power Co. Ltd:** Not Applicable as no generation activity started so far.

**For Borkar & Muzumdar**  
Chartered Accountants  
**FRN: 101569W**

**For Ummed Jain & Co**  
Chartered Accountants  
**FRN: 119250W**

**For M P Chitale & Co**  
Chartered Accountants  
**FRN: 101851W**

**CA Devang Vaghani**  
Partner  
**ICAI M No. 109386**

**CA Akhil Jain**  
Partner  
**ICAI M.No.137970**

**CA Ashutosh Pednekar**  
Partner  
**ICAI M No. 041037**

Place: Mumbai  
Date: 23<sup>rd</sup> September, 2015

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**ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 8 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED ON MARCH 31, 2015**

1. Our reporting on the Order includes three Subsidiary Companies, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.
  2. As required by the Order, read with paragraph 1, we report in below paragraphs.
  3. In respect of the fixed assets of the Holding Company & its subsidiary companies (respective entities)
    - a) *The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed asset except in case of Holding Company, few assets at certain locations where item wise particulars and codification of fixed assets are in process of matching with the fixed asset register.*
    - b) The Holding Company physically verifies fixed assets once in three years. As per this cycle no verification was due during the year. Accordingly, the Holding Company has not physically verified its fixed assets during the year. In the opinion of the other auditors, fixed assets of the subsidiary companies have been physically verified by the management during the year and no material discrepancies were identified on such verification.
  4. In respect of the inventories
    - a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year. The physical verification of inventory was carried out by external firms of Chartered Accountants during the year appointed by the management. Subsidiaries do not have any inventory.
    - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business..
    - c) On the basis of our examination of records of inventory, *subject to our remark in para 4(ii) of our consolidated Audit Report regarding non-reconciliation of the balances with subsidiary records*, in our opinion, the company has maintained proper records of inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were adjusted appropriately in the books of account.
  5.
    - a) As per the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 during the year. Consequently, the provisions of Clause (iii)(a) and Clause (iii)(b) of paragraph 3 of the Order are not applicable to the Company.
    - b) In view of the above, the question of the amounts being overdue do not arise.
  6. In our opinion and in the opinion of auditors of the respective entities, and according to the information and explanations provided, there is an adequate internal control procedure commensurate with the size of the Holding Company and its subsidiary companies and the nature of their business for the purchase of inventory and fixed assets and sale of goods and
-

services. However, in case of Holding Company, there is need for further improvement of Internal Control with regard to handling of scrap and internal control with regard to applying the appropriate rate of tariff to units of power sold.

7. None of the entity has accepted deposits in accordance with the provisions of section 73 to 76 of the Companies Act, 2013 and rules thereunder.
8. The Central Government has prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013 for Holding Company. However, maintenance of such records is not applicable to Subsidiary Companies. We have broadly reviewed such relevant records of the Holding Company and in our opinion and according to the information and explanation given to us prima facie the Holding Company has made and maintained the prescribed records. We have, however not made an examination of the cost records required to be maintained under Companies (Cost Accounting Records) Rules 2014 with a view to determine whether these are accurate or complete.
9. (a) According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Wealth Tax, Service Tax, duty of Customs, duty of excise, Value Added Tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Wealth Tax, Service Tax, duty of Custom, duty of excise, Value Added Tax, Cess, were outstanding, as at March 31,2015 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following:-

Details of disputed statutory dues of Holding Company that have not been deposited on account of appeal matters pending before the appropriate authorities are as under:-

Name of the Statute	Nature of the dues	Amount (₹)	Period to which amount relates	Forum at which dispute is pending
Central Excise Act	Duty on fabricated materials	₹ 2,670,375	2005-06 (Since inception of the company)	commissioner of central excise, Nagpur
Income Tax Act	TDS on Service Tax	₹ 895,000	2009-10	ITAT, Pune Bench
Central Sales Tax Act	MVAT	₹ 3,540,717	2005-06	Commissioner of Sales Tax (Appeals), Nagpur
Central Excise Act	Duty levied on the fabrication of structural steel items	₹ 30,100,000	1991-1992 to 1994-95	Commissioner of Sales Tax (Appeals), Nagpur
Asstt. Commissioner of Income Tax	Concealment of income	₹ 1,073,215,440	AY 2007-08	ITAT, Mumbai

- (c) During the year there is no amount that was required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and the Rules made there under.
10. The Holding Company has no accumulated losses as at the financial year end. There were no cash losses incurred in the financial year or the previous financial year. However, one subsidiary company, Dhule Thermal Power Company Limited has accumulated losses in excess of its net worth; however Company has not incurred cash losses during the financial year ended on that date or during the immediately preceding previous financial year.

11. In our opinion and according to the information and explanation given to us, the Holding Company has generally not defaulted in repayment of dues to the banks and financial institutions *except in Power Finance Corporation Ltd. ₹ 109.98 crores for principal and ₹ 5.66 Crores for interest which were overdue by 76 days as on March 31, 2015.* The Company has not borrowed any sum through debentures. In the opinion of auditors of subsidiary companies, they have not availed any borrowings from financial institutes, Banks or Debenture holders and hence para 9 of the order is not applicable.
12. According to the information and explanation given to us, the Holding Company and Subsidiaries have not given any guarantee for loans taken by others from bank and / or financial institutions.
13. In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, the term loans raised during the period have prima facie been applied for the purpose for which they were raised or pending actual application, have been deployed for working capital purposes.
14. According to the information and explanation given to the respective statutory auditors of the Holding Company and its subsidiary companies, no instances of material fraud on or by each company have been noticed or reported during the course of audit by the statutory auditors of the Holding Company, its subsidiary companies.

**For Borkar & Muzumdar**  
Chartered Accountants  
**FRN: 101569W**

**For Ummed Jain & Co**  
Chartered Accountants  
**FRN: 119250W**

**For M P Chitale & Co**  
Chartered Accountants  
**FRN: 101851W**

**CA Devang Vaghani**  
Partner  
**ICAI M No. 109386**

**CA Akhil Jain**  
Partner  
**ICAI M.No.137970**

**CA Ashutosh Pednekar**  
Partner  
**ICAI M No. 041037**

Place: Mumbai  
Date: 23<sup>rd</sup> September, 2015

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015

(Amt. in ₹)

		Note No.	Consolidated As At 31-03-2015
<b>I.</b>	<b>Equity &amp; Liabilities</b>		
(1)	Shareholders funds:		
	(a) Share Capital	1	80,572,845,640
	Minority Interest		200,000
	(b) Reserves and surplus	2	22,148,368,412
(2)	Share Application money pending allotment (Refer note No. 24 )		9,303,117,897
(3)	Non-Current Liabilities		
	(a) Long Term borrowings	3	246,610,459,278
	(b) Deferred tax liability (net)	4	14,716,917,044
	(c) Other long term liabilities	5	21,885,741,182
	(d) Long term provisions	6	8,384,283,631
(4)	Current Liabilities		
	(a) Short Term borrowings	3(A)	60,390,342,818
	(b) Trade Payables	7	406,373,07,006
	(c) Other Current liabilities	7(A)	38,838,011,449
	(d) Short Term Provisions	6	3,598,603,808
	<b>Total</b>		<b>547,086,198,164</b>
<b>II.</b>	<b>ASSETS</b>		
	<b>Non-Current Assets</b>		
(a)	Fixed assets:		
	(i) Tangible Assets (Net Block)	8	182,418,154,607
	(ii) Intangible Assets (Net Block)	8	161,606,095
	(iii) Capital work-in progress	8(A)&(B)	205,911,504,537
	Less:- Provision for obsolescence		143,177,963
			<b>205,768,326,574</b>
	(iv) Intangible assets under development		
(b)	Non-Current Investments	9	300,000
(c)	Long term loans and advances	10	8,948,073,378
	<b>Current Assets</b>		
(a)	Inventories	11	14,231,644,368
(b)	Trade Receivables	12	106,071,335,924
(c)	Cash and cash equivalents	13	904,646,839
(d)	Short term Loans and advances	10	24,586,231,946
(e)	Other Current Assets	14	3,451,808,321
	Miscellaneous expenditure		<b>54,407,0112</b>
	<b>Total</b>		<b>547,086,198,164</b>
	See accompanying notes to the financial statements.		

As per our report attached  
**For M P Chitale & Co.**  
 Chartered Accountants  
 FRN: 101851W

(CA Ashutosh Pednekar)  
 Partner  
 M.No. 041037

**For Borkar & Muzumdar**  
 Chartered Accountants  
 FRN: 101569W

(CA Devang Vaghani)  
 Partner  
 M. No. 109386

**For Ummed Jain & Co.**  
 Chartered Accountants  
 FRN: 119250W

(CA Akhil Jain)  
 Partner  
 M.No. 137970  
 Mumbai, 23<sup>rd</sup> September, 2015

**For Maharashtra State Power Generation Co. Ltd.**

J. K. Srinivasan  
 Director (Finance)  
 DIN No. 01220828

Bipin Shrivastava  
 Chairman & Managing Director  
 DIN No. 03272135

S.K. Labde  
 Chief General Manager (A)

Rahul Dubey  
 Company Secretary  
 M No. A14213

## Consolidated Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2015

(Amt. in ₹)

		Note No.	2014-2015
I.	Revenue from Operations	15	189,699,956,877
II.	Other income	16	2,669,900,986
<b>III.</b>	<b>Total Revenue [I+II]</b>		<b>192,369,857,862</b>
IV.	Expenses		
	(a) Cost of Material Consumed	17	121,822,387,275
	(b) Employee benefit expense	18	14,161,896,128
	(c) Finance Cost	19	19,526,435,700
	(d) Depreciation/ Amortisation	8	10,916,695,037
	(e) Other expenses	20	15,948,002,090
	(f) Prior Period Items	21	-80,303,807
	<b>Total Expenses</b>		<b>182,295,112,422</b>
V.	Profit before tax (III-IV)		10,074,745,440
VI.	Exceptional items		
VII.	Profit before extra ordinary items and tax (III-IV)		10,074,745,440
VIII.	Extraordinary Items		
IX.	Profit before Tax (VII-VIII)		10,074,745,440
X.	Tax Expense		
	(a) Current Tax		2,424,072,668
	(b) Deferred Tax		3,307,740,490
	<b>Profit / (Loss) for the period</b>		<b>4,342,932,282</b>

As per our report attached  
**For M P Chitale & Co.**  
 Chartered Accountants  
 FRN: 101851W

(CA Ashutosh Pednekar)  
 Partner  
 M.No. 041037

**For Borkar & Muzumdar**  
 Chartered Accountants  
 FRN: 101569W

(CA Devang Vaghani)  
 Partner  
 M. No. 109386

**For Ummed Jain & Co.**  
 Chartered Accountants  
 FRN: 119250W

(CA Akhil Jain)  
 Partner  
 M.No. 137970  
 Mumbai, 23<sup>rd</sup> September, 2015

**For Maharashtra State Power Generation Co. Ltd.**

J. K. Srinivasan  
 Director (Finance)  
 DIN No. 01220828

Bipin Shirmali  
 Chairman & Managing Director  
 DIN No. 03272135

S.K. Labde  
 Chief General Manager (A)

Rahul Dubey  
 Company Secretary  
 M No. A14213

## Notes to Financial Statements (Consolidated)

### 1. Significant Accounting Policies and Notes to Accounts forming part of Financial Statements For the year ended 31st March, 2015

#### a) Basis of preparation of financial statements

##### (i) Maharashtra State Power Generation Company Limited (MSPGCL)

MSPGCL 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 there under prevails wherever the same are inconsistent with the provisions of Companies Act 2013 to the extent applicable, in terms of section 174 of the Electricity Act, 2003.

##### **Dhopave Coastal Power Limited**

Dhopave Coastal Power Limited was incorporated on August 16, 2007 and a subsidiary of MSPGCL. The Company's main object is generation of electricity.

##### **Dhule Thermal Power Company Ltd**

Dhule Thermal Power Company Ltd was incorporated on 24th August 2007. The main object of the company is generation of Electricity. This is the Eighth year of the company.

##### (ii) Principles of Consolidation

The Consolidated Financial Statements (CFS) relates to parent company, MSPGCL and its subsidiary.

The Consolidated financial statements are prepared on the basis of going concern concept and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of Companies (Accounts) Rule 2014 and the provisions of the Act.

The CFS are prepared, as far as possible, using uniform significant accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as MSPGCL's separate financial statements.

The Financial Statements of MSPGCL and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, the intra group balance and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated. The share of Minority Interest in the Subsidiaries has been disclosed separately in CFS.

Figures pertaining to the Subsidiary Companies have been reclassified, wherever necessary, to conform to the parent company, MSPGCL's Financial Statements.

For certain items, MSPGCL and its subsidiaries have followed different accounting policies. However impact of the same is not material.

##### (iii) Companies included in Consolidation

The CFS comprise the Audited Financial Statements of MSPGCL and its Subsidiaries for the year ended 31st March, 2015, which are as under;

Name of the Company	MSPGCL Ownership Interest 31.03.2015
Subsidiaries	

Dhopave Coastal Power Limited (DCPL)	100%
Mahaguj Collieries Limited (MCL)	60%
Dhule Thermal Power Company Limited (DTPCL)	100%

- (iv) In case of DCPL, the Company has paid up share capital of ₹ 500,000 and a long term borrowings of ₹ 153,212,060 from two subsidiaries companies of an ultimate Holding Company. These funds have mainly been applied for acquiring land as well as other expenses accounted as capital work in progress. On the basis of the undertaking of the holding company to provide continuous financial support, the accounts have been prepared on a going concern basis. The company has incurred expenses and given advances amounting to ₹ 152,914,390 till March 31, 2015. The arrangement with the two subsidiaries companies of an ultimate Holding company is that all the expenses are paid by them after taking care of all companies like TDS etc. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Management to make estimates and assumptions to be made that affect the reported amounts of assets and the liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimation. Changes in estimates are reflected in financial statement in the period in which changes are made and, if material, their effect are disclosed in the notes to the financial statements.

#### c) Tangible Fixed Assets

- (i) Fixed assets of the Company are recorded in the books of accounts at historical cost. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and provision for obsolescence/impairment, if any.
- (ii) Cost of acquisition is inclusive of freight, duties & taxes (other than those subsequently recoverable from taxing authorities), levies, borrowing costs and all incidentals attributable to bring the asset ready for intended use.
- (iii) Capital Expenditure incurred by the Company, resulting in creation of fixed assets for which Company does not have ownership rights, is reflected as a part of capital work in progress till the assets are under construction and thereafter in the fixed assets schedule under the head "Capital Expenditure resulting in Assets not belonging to the Company" Revenue expenditure incurred for contribution towards cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss.
- (iv) In case of Capital Work in Progress where the final settlement of bills with the contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- (v) Claims for price variation in case of capital contracts are accounted for, on acceptance thereof by the Company.
- (vi) The costs incurred on identification, survey and feasibility studies of a project under sanction is covered under capital work in progress till the event 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.
- (vii) Fixed assets are shown in the books of account net of any government grants received in respect of those fixed assets.
- (viii) Fixed Assets costing individually up to ₹ 5,000/- are depreciated fully in the year of purchase. Cost of all Mobile Phones is charged off to Revenue during the year of purchase.
- (ix) Assets retired from active use and held for sale are valued at Net Book Value or Net Realisable Value whichever is lower and disclosed as other current assets.

**(x) Intangible Assets -**

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.

**(xi) Capital Work-in-progress**

In case of fixed assets, for new projects / expansion, the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.

(xii) The total cost including all office expenses incurred by the Company at project and planning offices for the period, are apportioned to respective Capital Work-in-Progress accounts in respect of projects under implementation, on the basis of cumulative balances of expenditure in respect of assets under construction.

(xiii) The costs incurred and revenue generated during the Trial Runs Stage of the Project / Power Station are adjusted during capitalisation.

**d) 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.

**e) 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 state of assets or CGU if carrying cost is higher than recoverable amount.

In case of MCL, an asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged for when the assets is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there has been a change in the estimates of recoverable amount.

**f) Critical/ Insurance Machinery Spares**

(i) 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 and if cost of such spares is not known, these are capitalized along with concerned plant.

(ii) Machinery spares procured subsequently are also capitalized in the year of purchase.

(iii) Machinery spares are depreciated fully over the remaining useful life of the related plant and machinery.

(iv) 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. The repair charges of the old relevant spares are charged to Statement of Profit and Loss.

(v) In case of replacement of part of asset / replacement of capital spare where Written Down value of such original part of asset / capital spare is not known, the cost/ net book value of the new part of asset / new capital spare shall be written off.

**Machinery Spares ( Other than Critical/ Insurance Machinery Spares)**

(vi) Other spares are treated as “stores & spares” forming part of the inventory, valued at cost determined on weighted average basis or net realizable value whichever is lower and expensed as and when issued.

**g) Depreciation /Amortization****(i) Tangible Fixed Assets:**

In case of MSPGCL, the Company provides depreciation on straight line method to the extent of 90% of the cost of asset following the rates notified by the Maharashtra Electricity Regulatory Commission (MERC) through MERC (Multy-Year Tariff) Regulations 2011 which came into force with effect from 1st April 2011. This new depreciation manner is effective for the accounting period starting from 1.4.2013.

In case of MCL, the depreciation on fixed assets is provided on written down value method (WDV) at the rates and in the manner specified under Companies Act 2013.

Further, in case of DCPL, Depreciation for Equipment, Furniture & fixture & Office is provided using Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher & Depreciation for Plant & Machinery is provided using Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed in Appendix II to the Central Electricity Regulatory Commission Rules & Regulation, 2004.

Depreciation on the fixed assets added / disposed off / discarded during the year is provided on pro-rata basis with reference to the month of addition / disposal / discarding and in case of capitalization of green field / brown field projects, depreciation is charged from the date of commencement of commercial operation to the Statement of Profit and Loss.

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.

Leasehold land is amortized over a period of lease generally. However for land held under lease for investment in land, for cost of clearing site, the depreciation is charged on SLM method @ 3.34% p.a.

- (ii) In case of Assets (other than assets mentioned in (iii) below) whose depreciation has not been charged upto 70% after its commissioning, company charges the depreciation rates as prescribed below, on the Gross Block of assets for calculating depreciation till the end of such year in which the accumulated depreciation reaches upto 70% in respect of such asset. After attainment of 70% depreciation reserve, the company charges depreciation on the basis of balance useful life upto 90%. MERC vide Multy Year Tariff Regulations, has prescribed useful life in case of Thermal and Gas based power generating Stations as 25 years and in case of Hydro Generating Stations as 35 years.

Plant & Machinery in generating station of Hydro – electric, Steam Electric, & Gas based power generation Plant, Cooling Tower, Hydraulic Works, Transformers & other fixed apparatus, Transmission lines, Cable Network etc.	5.28%
Buildings & Other Civil Works	3.34%

- (iii) In case of following assets depreciation is charged straight line method upto 90% of or assets at rates mentioned below:

Furniture, Fixtures and Office Equipment	6.33%
Vehicles	9.50%
IT Equipment	15.00%

**(iv) Intangible Assets:**

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.

**h) Inventories**

Stock of materials including 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 (net of VAT refund receivable) and other costs incurred in bringing them to their present location and condition. Steel scrap and coal mill reject, not being part of inventory, are not recognized in Books of Accounts as an inventory item.

Losses towards unserviceable and obsolete stores and spares identified on review are provided in the accounts.

**i) Revenue Recognition**

Sale of electricity is accounted for based on tariff rates approved by the Maharashtra Electricity Regulatory Commission (MERC), inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued up to the end of the accounting period which is subject to true up by MERC. Further, the revenue includes delayed payment surcharge levied to MSEDCL as per the terms of Power Purchase Agreement executed with MSEDCL. Company recognizes revenue income when no significant uncertainty as to measurability or collectability exists.

Sale of fly ash is accounted for based on rates agreed with the customers. Amount collected are kept under separate account head "Fly Ash Utilisation Fund" in accordance with the guidelines issued by MOE&F dated 03-11-2009. The said fund gets utilised to the extent of expenditure incurred for promotion of ash utilisation.

Other income is recognized on accrual basis. Sale of scrap, reject coal etc. is accounted for when such scrap is actually lifted by the buyer from Company's premises and company prepares invoice towards the said sale transaction. Recoveries on account of Liquidated Damages and interest on advance to contractors are recognized as income / adjusted to fixed asset in the year it is crystallized.

MCL, Operations of the Company are not yet started during the financial year hence no revenue is recognised. However, the interest amount received on Fixed Deposits from bank and the running expenses have been debited to Profit & Loss Account for the year under consideration.

**j) Investments**

Long term investments are classified as Non-Current and are carried at cost, less provision for diminution other than temporary in the value of such investments

**k) 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/ previously converted value is charged to the Statement of Profit and Loss.

**l) Employee Benefits**

**(i) 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).

**(ii) Post-employment benefits****Defined Benefit Plan****Gratuity and Leave encashment**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Provision for accruing liability for gratuity and leave encashment on retirement is made on the basis of the liability determined by actuary as at the year end.

Actuarial gains and losses in respect of post-employment benefits are charged to the Profit and Loss Statement.

**Provident Fund Benefit**

Company pays fixed contribution to Provident Fund at predetermined rates along with employee's contribution to a separate trust which also manages funds of other group companies. The funds are then invested in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the Statement of Profit and Loss.

In case of MCL, Provident & other Fund Rules and Payment of Gratuity Act are not applicable to the Company. However, employees on deputation from M/s MSPGCL and M/s GSECL are covered under the said benefit as per policy of the respective Companies.

In case of DTPCL, no provision for gratuity is required, since the company did not have any employee during the year.

**m) Leases****Finance Lease**

Assets acquired 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. The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra..

**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.

**n) Taxation****(i) 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 MAT 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.

**(ii) 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".

Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

**o) Prior Period Items and Extra-Ordinary Items**

Adjustments arising due to errors or omissions in the financial statements of earlier years are accounted under “Prior Period”.

**p) Provisions, Contingent Liabilities and Contingent Assets & Deferred Revenue Expenditure**

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 disclosed in cases where they are in excess of ₹ 10 lacs individually in value. 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.

**MCL**

Liabilities, if any that are contingent in nature are not provided for in the accounts: but are separately disclosed by way of notes to accounts.

Claims / receipts and refunds whose recovery cannot be ascertained with reasonable certainty are accounted for on acceptance/ actual receipt basis. Also, the Company has to amortize Preliminary Expenses over the period of Five years. The excess amount of running expenses over income for the year is transferred to Pre-Operative Expenditure Pending Allocation being in the nature of Deferred Revenue Expenditure.

**q) Government Grant Policy**

Government grants related to specific fixed asset are deducted from gross value of such fixed asset. Government grants related to revenue is 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.

**r) Cash flow statement**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on ‘Cash Flow Statements’.

**s) Earning Per Share (EPS)**

Basic earnings per share are computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/loss after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

For the purpose of calculating Earning Per Share, the share application money pending allotment has been considered being confirmed allotment.

**t) Ex-gratia**

Company accrues for the ex-gratia expenditure in the books of accounts as and when the same is declared by the company for its employees.

**u) Exceptional Items of DTPCL**

Exceptional items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company and therefore are not expected to recur frequently or regularly. Exceptional items are disclosed separately in Financial Statements in a manner that it's impact on current Profit or Loss is perceived.

## 2. Restructuring Scheme

The assets and liabilities of the Company as on June 06, 2005 contain balances, which are transferred under The Maharashtra Electricity Reforms Transfer Scheme, 2005 (Transfer Scheme). Accordingly these balances are approved by MSEB Holding Company Ltd. The Final Transfer Scheme is yet to be notified by the Government of Maharashtra, which may have an impact on the financial statements of the Company including inter se balances of MAHAGUJ Collieries Limited, Dhopave Coastal Power Company Limited, Dhule Thermal Power Company Limited, MSEB Holding Company Limited, Maharashtra State Electricity Distribution Company Limited & Maharashtra State Electricity Transmission Company Limited.

### Note No. 1

#### Share Capital

##### i) Authorised Capital

Class of Share	Par value ₹	As at 31st March 2015	
		No. of Shares	(Amount in ₹)
M.S.P.G.C. Ltd. Equity Shares	10	25,000,000,000	250,000,000,000
Dhule Thermal Power Company Ltd.	10	50,000	500,000
Dhopave Coastal Power Company Ltd.	10	50,000	500,000
MahaGuj Colieries Ltd.	10	50,000	500,000

##### ii) Issued, Subscribed and paid up Capital (Fully Paid-up)

Class of Share	Par value ₹	As at 31st March 2015	
		No. of Shares	(Amount in ₹)
Equity Shares	10	8,057,304,564	80,573,045,640

##### iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31st March 2015	
	No. of Shares	(Amount in ₹)
Outstanding at the beginning of the year	6,808,390,164	68,083,901,640
Addition during the period	1,248,914,400	12,489,144,000
Outstanding at the end of the year	8,057,304,564	80,573,045,640

##### iv) The rights, preferences, restrictions including restrictions on the distributions of dividends and repayment of capital

- 1) The Company is having only one class of shares i.e Equity carrying a nominal value of ₹ 10/- per share.
- 2) Every holder of the equity share of the Company is entitled to one vote per share held. The dividend, (except interim dividend) proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting.
- 3) Every shareholder has a right to receive dividend in proportion to shares held by them whenever such dividend is approved.
- 4) In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

## (v) Shares in respect of each class held by Holding Company

Name of Shareholder	As at 31st March 2015
	Equity Shares
MSEB Holding Company Ltd. (Nos.)	8,057,234,564
MSEB Holding Company Ltd. (Amount in ₹)	80,572,345,640
Gujrat State Electricity Corporation Ltd. (No.)	20,000
Gujrat State Electricity Corporation Ltd.(Amount in ₹)	200,000

## (vi) Details of shares in the company held by each shareholder holding more than 5% shares and shares held by Holding company :

Name of Shareholder	As at 31st March 2015	
	Equity Shares	% of Shares
MSEB Holding Company Ltd.	8,057,234,564	99.99
Gujrat State Electricity Corporation Ltd.	20,000	40.00

## Note No. 2

(Amt in ₹)

Reserves & Surplus (Consolidated)	As on 31-03-2015
<b>Surplus as per Statement of Profit &amp; Loss</b>	
Balance at the beginning of the year	17,714,312,171
<b>Add:-</b>	-
Profit transferred from Statement of Profit & Loss	4,357,774,442
Closing Balance	<b>22,072,086,613</b>
<b>Fly Ash Utilisation Fund at beginning of the year</b>	-
Additions during the year	303,837,673
Utilisation during the year	(303,837,673)
Closing Balance of Fly Ash Utilisation Fund	-
Capital Grant Reserve	<b>76,281,799</b>
<b>Total Reserves &amp; Surplus</b>	<b>22,148,368,412</b>

## Note No. 3

(Amt in ₹)

Long-Term Borrowings	Consolidated	
	Long term borrowings	Current Maturities of Long Term Borrowing
<b>Secured Loan</b>		
<b>Term Loan</b>		
<b>From Financial Institutions</b>		
Power Finance Corporation	121,373,270,862	4,075,170,227
Rural Electrification Corporation	101,843,923,824	1,077,479,166
Loan from Housing Urban Development Corporation	43,439,339	35,500,000
Loan from IREDA	160,826,000	39,392,000
<b>From Banks</b>	-	-
Term Loans	16,097,644,696	313,396,800
Mid Term loan from banks	-	-

	<b>239,519,104,722</b>	<b>5,540,938,192</b>
<b>Unsecured Loan</b>	-	-
Term Loan	-	-
<b>From Financial Institution</b>	-	-
Power Finance Corporation	468,826,384	1,455,832,883
<b>From Others</b>	-	-
((KFW 150 MW Solar (Refer Note 38(h	6,113,594,131	1,844,800,000
Loan from World bank	270,832,310	-
Government of Maharashtra	500,412	316,292,430
.MSPGC. Ltd	-	-
.GSEC Ltd	216,924,018	-
.MSEDC Ltd	20,677,300	-
	7,091,354,555	3,616,925,313
<b>Total</b>	<b>246,610,459,277</b>	<b>9,157,863,505</b>
(Less :- Transferred to Other Current liabilities (Note No. 7	-	(9,157,863,505)
	<b>246,610,459,277</b>	-

**Note No. 3 (A)**

(Amt in ₹)

<b>Short Term Borrowings</b>	<b>Consolidated</b>
<b>(Loan repayable on Demand (Secured</b>	
<b>From Banks</b>	
Cash Credit	50,390,342,818
	<b>50,390,342,818</b>
<b>(Loan repayable on Demand (Unsecured</b>	
<b>From Banks</b>	
Working Capital loan from Banks	9,490,891,269
Temporay Loan from Banks	509,108,731
Project Specific loans from banks	-
	<b>10,000,000,000</b>
<b>Total</b>	<b>60,390,342,818</b>

**Note No. 4**

(Amt in ₹)

<b>Deferred Tax</b>	<b>Opening Balance As on 31-03-2014</b>	<b>Debit/Credit during year</b>	<b>Closing Balance As on 31-03-2015</b>
<b>Deferred Tax Liability (A)</b>			
Difference of WDV as per Books and Income Tax	21,788,155,891	3,181,281,177	24,969,437,068
<b>Deferred Tax Asset (B)</b>			
Disallowance u/s 43B of Income Tax Act, 1961	2,497,679,229	1,003,305,924	3,500,985,153
Disallowance u/s 40(a)(7) of Income Tax Act, 1961	1,451,801,624	317,107,060	1,768,908,684
Unabsorbed Depreciation loss carried forward	6,429,498,479	(1,446,872,297)	4,982,626,182
<b>Total</b>	<b>10,378,979,332</b>	<b>(126,459,313)</b>	<b>10,252,520,024</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>11,409,176,559</b>	<b>3,307,740,490</b>	<b>14,716,917,044</b>

**Note No. 5**

(Amt in ₹)

<b>Other Long Term liabilities</b>	<b>As on 31-03-2015</b>
(i) Creditors for Capital expenditure	-
(ii) Deposits & Retentions	20,873,407,846
(iii) Other liabilities	145,539,637
(iv) Liabilities towards Related Parties	866,793,699
	<b>21,885,741,182</b>

**Note No. 6**

(Amt in ₹)

<b>Provisions</b>	<b>Consolidated</b>	
	<b>Long Term</b>	<b>Short Term</b>
	-	-
<b>Provision for Employee benefits</b>		
(Provision for gratuity (Refer 38(a)(ix	4,130,655,267	1,073,547,882
(Provision for Leave encashment (Refer 38(a)(ix	4,253,628,364	1,305,168,992
<b>Other Provisions</b>	-	-
Provision for Income Tax	-	2,424,013,841
(Less: Taxes paid in Advance (including TDS	-	1,204,300,000
	-	1,219,713,841
Provision for Wealth Tax	-	173,093
	<b>8,384,283,631</b>	<b>3,598,603,808</b>

**Note No. 7**

(Amt in ₹)

<b>Trade Payable Consolidated</b>	<b>As on 31-03-2015</b>
Payables to MSME	7,690,256
Payables to Other than MSME	40,629,616,750
	<b>40,637,307,006</b>

**Note No. 7(A)**

(Amt in ₹)

<b>Other Current Liabilities Consolidated</b>	<b>As on 31-03-2015</b>
Current Maturities of Long Term Debt (Note no. 3 & Annexure thereto)	9,157,863,505
Interest accrued but not due on borrowings	5,174,601,989
Other Payables -	-
(i) Deposits & Retentions	8,577,375,219
(ii) Payables for capital goods	5,307,278,970
(iii) Other Liabilities	4,644,088,472
(iv) Liabilities for Related Parties	5,976,803,293
	<b>38,838,011,449</b>

## Note No. 8 Consolidated

Assets	Gross Block (At cost)				Depreciation				Provision for obsolescence 31-03-2015	Provision for obsolescence 31-03-2014	Net Block	
	As at 01.04.2014	Additions / Adjustments	Deductions Adjustments	As at 31.03.2015	As at 01.04.2014	Depreciation/ Amortisation for the year	Prior Period Depreciation	Deductions/ Adjustments			As at 31.03.2015	As at 31.03.2014
<b>Tangible Assets</b>												
Land (including development)												
Freehold	2,204,679,141	273,608,795	-	2,478,287,936	-	-	-	-	-	-	2,478,287,936	2,204,679,141
Leasehold	551,555,769	-	-	551,555,769	78,422,405	18,421,963	-	96,844,368	-	-	454,711,401	473,133,364
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Factory Buildings	9,514,912,707	172,974,774	-	9,687,887,481	4,684,771,344	401,097,094	(33,401)	0	3,909,446	3,909,446	4,598,082,998	4,826,171,917
Others	5,633,341,293	456,795,416	-	6,090,136,709	1,606,061,256	-	-	1,606,061,256	-	-	4,484,075,453	4,027,280,037
Hydraulic Works	20,459,428,113	80,053,670	-	20,539,481,783	7,721,308,564	782,256,496	-	8,503,565,060	2,993,713	2,993,713	12,032,923,010	12,735,125,836
Other Civil Works	-	-	-	-	-	-	-	-	-	-	-	-
Railway Sidings	6,901,693,211	215,430,504	-	7,117,123,715	1,074,254,067	515,695,632	(52,037)	1,589,897,682	-	-	5,527,226,033	5,827,439,144
Roads and Others	9,362,534,163	-	-	9,362,534,163	3,409,753,126	-	-	3,409,753,126	2,774,706	2,774,706	5,950,006,331	5,950,006,331
Plant, Machinery & Equipments	223,643,677,815	4,622,553,527	-	228,266,231,342	75,177,263,884	8,992,173,737	(20,292,937)	84,149,144,684	317,560	75,373,110	144,116,769,098	148,391,040,821
Lines & Cable Networks	3,431,224,610	2,477,997	-	3,433,702,607	1,417,662,290	142,422,108	(88,760)	1,559,995,638	67,862,369	67,862,369	1,805,844,600	1,945,699,951
Furniture & Fixtures	372,967,534	6,962,847	-	379,930,381	162,280,819	16,794,225	(625,794)	178,449,250	30,181	30,181	201,450,950	210,656,534
(6,027,603)	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	174,228,921	4,568,717	-	178,797,638	137,406,883	5,822,231	(3,160,724)	140,068,389	1,147,470	1,147,470	37,581,779	35,674,568
Office Equipments	333,972,899	11,652,457	-	345,625,356	172,922,945	27,954,733	(922,621)	199,955,057	128,543	128,543	145,541,756	160,921,411
	-	-	-	-	-	-	-	-	-	-	-	-



**Note No. 8B**

(Amt in ₹)

Expenditure during construction period (Consolidated)	Year ended 31st March 2014	Incurred during the year	Year ended as at 31st March 2015
Employees costs	6,362,284,993	1,023,571,033	73,856,026
Administrative and general expenses	846,579,137	123,626,108	970,205,245
Depreciation and other Debits	2,687,483,955	432,618,149	3,120,102,104
Interest and finance charges	23,938,317,568	16,471,475,736	40,409,793,304
<b>Total</b>	<b>33,834,665,653</b>	<b>18,051,291,026</b>	<b>51,885,956,679</b>

**Note No. 9**

(Amt in ₹)

Non-Current Investments (valued at cost less diminution other than temporary) Consolidated	
	As on 31-03-2015
<b>Trade Investments (Unquoted)</b>	
<b>Investment in Equity Shares</b>	
<b>In Subsidiary Companies</b>	
"50,000 (PY 50,000) Equity shares of ""Dhule Thermal Power Company Limited" of ₹ 10/- each fully paid-up"	-
"50,000 (PY 50,000 ) Equity shares of ""Dhopave Coastal Power Company Limited" of ₹ 10/- each fully paid-up"	-
30,000 (PY 30,000) equity shares of UCM Coal Co. Ltd. of ₹ 10/- each fully paid up	300,000
25,00,000 (PY 25,00,000) equity shares of Latur Power Company Ltd. of ₹ 10/- each fully paid up	-
30,000 (PY 30,000) Equity shares of "Mahaguj Colliery Limited" of ₹ 10/- each fully paid-up	-
<b>Total</b>	<b>300,000</b>

**Note No. 10**

(Amt in ₹)

Loans & Advances	Consolidated	
	Long Term	Short Term
	-	-
Capital Advances		
Secured, Considered good	-	-
Unsecured, Considered good	7,198,270,033	-
Doubtful	-	-
	7,198,270,033	-
Security Deposits		
Secured, Considered good	-	-
Unsecured, Considered good	-	879,927,406
Doubtful	3,259,976	-
	3,259,976	879,927,406
Less:- Provision for Doubtful Debts	3,259,976	
	-	<b>879,927,406</b>
Related Parties	-	-

Secured, Considered good	-	-
Unsecured, Considered good	(0)	635,012,207
Doubtful	2,712,798	-
	2,712,798	635,012,207
Less:- Provision for Doubtful Debts	2,712,798	-
	(0)	635,012,207
Others	-	-
Advances recoverable in cash or in kind or for value to be received	-	-
Secured, Considered good	-	-
Unsecured, Considered good	28,069,396	782,993,966
Doubtful	1,913,921,343	-
	1,941,990,739	782,993,966
Less:- Provision for Doubtful Debts	1,913,921,343	-
	28,069,396	782,993,966
Advances for O & M supplies / works	-	-
Secured, Considered good	-	-
Unsecured, Considered good	-	4,869,032,559
Doubtful	9,995,428	-
	9,995,428	4,869,032,559
Less:- Provision for Doubtful Debts	9,995,428	-
	-	4,869,032,559
Advances for coal / fuel supplies	-	-
Secured, Considered good	-	-
Unsecured, Considered good	-	11,861,505,038
Doubtful	-	-
	-	11,861,505,038
Advances to staff	-	-
Secured, Considered good	-	540,889
Unsecured, Considered good	185,628,186	452,351,652
Doubtful	-	-
	185,628,186	452,892,541
Balance recoverable from statutory authorities	-	-
Secured, Considered good	-	-
Unsecured, Considered good	-	5,248,862
Doubtful	-	-
	-	5,248,862
Prepaid expenses	-	-
Secured, Considered good	-	-
Unsecured, Considered good	-	55,987,655
Doubtful	-	-
	-	55,987,655
Claims receivable and other current assets	-	-
Secured, Considered good	-	-
Unsecured, Considered good	51,092,172	5,043,631,714
Doubtful	3,546,706	-
	54,638,878	5,043,631,714
Less:- Provision for Doubtful Debts	3,546,706	-
	51,092,172	5,043,631,714
Advance Tax Paid	8,513,755,247	-
Less:- Provision for income Tax	(7,028,741,656)	-
	1,485,013,591	-
<b>Net Total</b>	<b>8,948,073,378</b>	<b>24,586,231,946</b>

**Note No. 11**

(Amt in ₹)

<b>Inventories Consolidated</b>	<b>As at 31-03-2015</b>
<b>Raw Material -</b>	
Coal	2,747,815,170
Add:- Coal in Transit	481,841,852
Oil	1,686,006,394
<b>Stores and spares</b>	<b>11,692,113,062</b>
Less:-Provision for loss on obsolescence of stores	2,376,132,111
<b>Net Total</b>	<b>14,231,644,368</b>

**Note No. 12**

(Amt in ₹)

<b>Trade Receivable</b>	<b>Consolidated</b>	
	<b>Long Term</b>	<b>Short Term</b>
<b>Outstanding for more than six months from due date -</b>		
Secured, Considered good	-	-
Unsecured, Considered good	-	11,033,933,410
Doubtful	-	-
	-	<b>11,033,933,410</b>
<b>Others -</b>	-	-
Secured, Considered good	-	-
Unsecured, Considered good	-	95,037,402,514
Doubtful	-	-
	-	<b>95,037,402,514</b>
<b>Total</b>	<b>-</b>	<b>106,071,335,924</b>

**Note No. 13**

(Amt in ₹)

<b>Cash and Cash Equivalents (Consolidated)</b>	<b>As on 31-03-2015</b>
(1) Balances with banks	904,001,344
(2) Cash on hand	645,495
	<b>904,646,839</b>

**Note No. 14**

(Amt in ₹)

<b>Other Current Assets (Consolidated)</b>	<b>As on 31-03-2015</b>
Assets held for Sale	464,644,371
Unbilled Revenue	2,986,860,481
	<b>3,451,808,321</b>

**Note No. 15**

(Amt in ₹)

<b>Revenue from Operations (Consolidated)</b>	<b>2014-2015</b>
<b>Operating Revenue -</b>	
Revenue from sale of power	179,162,059,932
Less:- Electricity duty recovery	14,206,773
Less:-Tax on sale of electricity recovery	667,660
Revenue from sale of power	179,147,185,499
Revenue Subsidy	16,728,240
<b>Total</b>	<b>179,163,913,739</b>
<b>Other Operating Revenue-</b>	
Surcharge Income from consumers	10,510,435,446
Sale of rejected coals	25,607,692
Sale of Fly Ash	303,837,673
Less:- Transferred to Fly Ash Utilisation Fund	(303,837,673)
<b>Total</b>	<b>10,536,043,138</b>
<b>Total Revenue From Operations</b>	<b>189,699,956,877</b>

**Note No. 16**

(Amt in ₹)

<b>Other Income (Consolidated)</b>	<b>2014-2015</b>
Interest income	4,542,510
<b>Other Non-Operating Income</b>	<b>-</b>
Income from rent, hire charges etc.	32,994,718
Profit on sale of assets/stores/scrap	306,792,677
Sale of tender forms	27,206,357
Sundry Credit balance write Back	180,017,119
Other receipts	257,466,558
Gain on Foreign Exchange Variation (Net)	1,860,881,047
	<b>2,669,900,986</b>

**Note No. 17**

(Amt in ₹)

<b>Cost of Material Consumed (Consolidated)</b>	<b>2014-2015</b>
Coal	107,204,249,783
Gas	9,750,217,959
Oil	3,325,101,196
Water	1,542,818,337
	<b>121,822,387,275</b>

**Note No. 18**

(Amt in ₹)

<b>Employee Benefit Expenses (Consolidated)</b>	<b>2014-2015</b>
Salaries, allowances, Bonus etc.	7,686,381,665
Contribution to Provident Funds	879,451,702
Staff welfare expenses	138,591,928
Other staff costs	139,790,030
Leave encashment scheme	3,158,390,745

Gratuity	2,159,290,057
Provision for Shortfall in Plan assets	-
	<b>14,161,896,128</b>

**Note No. 19**

(Amt in ₹)

<b>Finance Cost (Consolidated)</b>	<b>2014-2015</b>
<b>Interest on</b>	
State Government loans	56,300,000
Other loans	15,498,133,674
Borrowing for working capital	3,845,441,207
<b>Consumers Security Deposits</b>	-
<b>Other Borrowings Cost</b>	-
Government guarantee fees/ charges	60,110,070
Fees and other charges	66,450,749
	<b>19,526,435,700</b>

**Note No. 20**

(Amt in ₹)

<b>Other Expenses (Consolidated)</b>	<b>2014-2015</b>
Rent	150,593,449
Lease rent	5,482,300,000
Repairs and Maintenance	-
Plant & machinery	7,391,697,033
Ash Handling Expenses	431,272,356
Repair & Maintenance - Others	4,426,124
Insurance charges	118,490,120
Rates and taxes	190,807,140
<b>Others -</b>	-
Lubricants, consumable stores and station supplies	852,848,984
Water charges	10,377,488
Legal and professional charges	68,464,135
Auditor's remuneration (Refer note 26)	6,806,872
Commission to agents	84,970,566
Other Bank Charges	90,597,999
Contribution towards assets not owned by Company / CSR expenditure	130,714,908
Provision for doubtful advances	128,914,439
Other general expenses	1,083,372,100
Loss on fixed assets sold / scrapped	-
Loss on obsolescence of Fixed Assets	25,186,050
Loss on foreign exchange variance (Net)	-
	16,251,839,763
<b>Expenses transferred to Fly Ash utilization fund</b>	<b>303,837,673</b>
	<b>15,948,002,090</b>

**Note No. 21**

(Amt in ₹)

Prior period (credits)/charges (net) Consolidated	2014-2015
<b>Income</b>	
Other income	(118,052,150)
Other excess provisions in prior periods	-
Coal /Gas Related Gain	-
(Exces)s/ short provision for depreciation	(10,821,791)
Receipts from consumers	-
	<b>(128,873,941)</b>
<b>Expenses</b>	
Fuel related (gains) / losses	-
Net Interest and finance charges	-
Operating expenses	48,570,134
Employee costs	-
Excess in billing of earlier years	-
Material related expenses	-
	48,570,134
	<b>(80,303,807)</b>

**21a) Capital Commitments**

In case of MSPGCL, the estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 17,631,127,762 (Previous Year – ₹ 32,572,234,609).

In case of DCPL, as on March 31, 2014 the Company has paid an advance of ₹ 70,000,000 being 25 % towards acquisition on land & would pay the balance 75% amounting to ₹ 210,000,000 in the future.

**21b) Other Significant Commitments**

- Company has entered into Power Purchase Agreement with MSEDCL for Sale of power generated by the company & this agreement remains operative for the period of twenty-five years unless extended or terminated earlier.
- Agreement / Order has been made / placed with M/s. Ultra Tech cement Ltd. for Sale/ Disposal of fly ash on long term for 15 years basis ending in FY 2023-24.
- Coal linkage of 46.504 Million MT per annum has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price. The Fuel supply agreement of coal is valid upto year 2029.
- Company has gas purchase and transportation agreement with Gas Authority of India Ltd. and Reliance Ltd. towards 3.5 MMSCMD and 1.2 MMSCMD respectively.

**22) Fly Ash Utilisation Fund**

The income from sale of fly ash is being accumulated in a separate fund and amount spent on expenditure incurred for promotion of fly ash utilisation is reduced therefrom to the extent of accumulation and the excess if any is recognised as expense in the Statement of Profit and Loss. Such presentation and disclosure does not have any net impact on the profit or loss for the year. This presentation and disclosure is in accordance with the guidelines issued by MOE&F dated 03-11-2009. Accordingly, sale of fly ash of ₹ 303,837,672 (PY 149,345,695) and equivalent expenses are reduced therefrom as disclosed in note no. 2(A).

**23) Contingent Liabilities (not provided for) :** (in excess of ₹ 10 lakhs individually in value)

(Amt in ₹)

No.	Particulars	2014-2015 (₹)	2013-2014 (₹)
a)	Bank Guarantee issued by Bankers of company in favour of Third Parties	32,118,321	138,975,000
b)	Bank Guarantee / Letter of Credit issued by Bankers of company	4,188,699,422	68,600,000
c)	Claims against company not acknowledged as debts	12,698,814,306	11,756,805,338
d)	Disputed Duties / Tax Demands	1,110,421,482	36,311,092

In case of MCL, during the year M/s. AMPL has claimed compensation of ₹ 317.39 crores for expenditure made in development of Machhakata coal blocks due to cancellation of coal block allocation by the Hon'ble Supreme Court of India. The claim being outside the scope & terms of CMSA and as the Company neither received any benefit out of such expenditure; the Company had refused this claim except to the extent of statutory dues paid by M/s. AMPL on behalf of MGCL. M/s. AMPL was informed to submit such claim of statutory payments made on behalf of MGCL with original documentary proof thereof. However, till date, no such claim is received by the Company from M/s AMPL. Thus Claims against the Company not acknowledged as debt amounted to approximately ₹ 317.39 crores (P. Y. Rs 1649.06 crores).

**24) Share Capital****Share Application Money Pending Allotment****Opening Equity Capital**

Pursuant to the transfer scheme of the erstwhile MSEB framed for the purpose of restructure of the electricity board, an amount of ₹ 25,633,633,537 has been allocated to the Company as equity share capital. As per the scheme, the Company is required to issue equity shares of the said amount to MSEB Holding Company Limited. Accordingly Shares amounting to ₹ 25,000,000,000 have been allotted to MSEB Holding Co. Ltd. during the year 2008-09 and ₹ 633,633,537 has been shown under 'Share Application Money Pending Allotment'. However, the transfer scheme is yet to be finally approved by Government of Maharashtra. Upon such approval, the final balance amount of shares will be allotted.

Subsequent Receipts of contribution towards Equity –

As per the understanding with the Government of Maharashtra (GOM), the Company would receive 20% equity support towards setting up of new power plants in the state of Maharashtra. As per the understanding with the GOM the shares are to be issued at par. Such equity support is contributed through MSEB holding Company Limited.

GOM has been contributing such equity support since financial year 2006-07. No time frame has been defined at the time of contribution for allotment of shares. Accordingly the Company has been accounting such amounts received under the head "Share application money pending allotment." The balance excluding opening equity under the head Share application money pending allotment as at March 31, 2014 was ₹ 13,695,465,360. During the year the Company has received ₹ 7,463,163,000 and the board has allotted 1,248,914,400 equity shares at par amounting to ₹ 12,489,144,000 to MSEB holding Company Limited. The balance (excluding opening equity) of ₹ 8,669,484,360 as at March 31, 2015 would be issued to the MSEB holding Company Limited on approval of such allotment by the board.

The Company has sufficient authorized capital to issue the shares pending allotment.

**25a) Details of Loans**

For details of loans please refer Annexure – A (Long Term Borrowings) and Annexure –B (Short Term Borrowings)

**25b) The charge/mortgage created against assets of the Company as securities in respect of the loans, taken by**

the erstwhile Maharashtra State Electricity Board, which are subsequently transferred to the Company on June 06, 2005 pursuant to the transfer scheme notified by the State Government, continues to be valid and binding on the Company. (Refer Annexure A)

MCL, Unsecured loans have been taken from holding Companies namely Maharashtra State Power Generation Company Limited amounting to ₹ 32.71 crores and from Gujarat State Electricity Corporation Limited amounting to ₹ 21.69 crores totalling to ₹ 54.40 crores.

In case of DTPCL, loans have been taken from holding Company namely Maharashtra State Power Generation Company Limited amounting to ₹ 0.13 crores.

**26) Payment to Auditors including service tax:**

<b>MSPGCL</b>	<b>2014-2015 (₹)</b>	<b>2013-2014 (₹)</b>
As Auditors – For Statutory Audit	6,067,440	4,550,580
For Taxation Matters	0	0
For Other Services	0	0
Reimbursement of expenses	668,795	574,015
<b>Total</b>	<b>6,736,235</b>	<b>5,124,595</b>

<b>MCL</b>	<b>31st March , 2015</b>
Remuneration to Auditors (₹)	25000

<b>DTPCL:</b>	<b>2014-2015 (₹)</b>	<b>2013-2014 (₹)</b>
Audit Fees	9,120	8,989
Taxation Matter	-	-
<b>Total</b>	<b>9,120</b>	<b>8,989</b>

<b>DCPL:</b>	<b>2014-2015 (₹)</b>	<b>2013-2014 (₹)</b>
Audit fees	22,472	20,000
Service Tax		2,472
<b>Total</b>	<b>22,472</b>	<b>22,472</b>

**27) Value of imports calculated on CIF basis**

	<b>2014-2015 (₹)</b>	<b>2013-2014 (₹)</b>
Raw Material	Nil	Nil
Components and Spare parts	Nil	3,986,741
Capital Goods	Nil	Nil

**28) Value of imported & indigenous raw materials, stores, spare parts and component consumed and percentage of each to the total consumption including for Repairs & Maintenance:**

		<b>2014-15</b>		<b>2013-14</b>	
<b>A) Raw Materials – Coal, Gas &amp; Oil</b>	<b>%</b>	<b>₹</b>	<b>%</b>	<b>₹</b>	
Indigenous	100	101,280,367,140	100	103,667,860,054	
<b>B) Stores, Spares and Component</b>					
Imported	0.23	4,811,134		0	
Indigenous	99.81	2,577,097,836	100	5,492,338,601	
<b>Total</b>		<b>2,581,908,970</b>		<b>5,492,338,601</b>	

**29) Break Up of Energy Sold**

(Value in ₹)

<b>Power Plant</b>	<b>2014-15</b>	<b>2013-14</b>
Hydro	6,170,953,339	7,667,575,969
Thermal	155,278,427,615	135,426,761,099
Gas	10,639,355,824	8,292,090,293
Solar	3,338,041,664	2,821,245,451
<b>Total</b>	<b>175,426,778,442</b>	<b>154,207,672,812</b>

Above is excluding sales to residential colony & surcharge and other true up/ adjustment bills amounting to ₹ 14,247,570,743 (PY ₹ 11,174,461,591)

- 30) **Revenue Subsidy / Grant** –During the current year the company has recognized revenue from sale of power through solar project amounting to ₹ 3,338,041,664 (PY ₹ 2,821,245,451) and has lodged claim of ₹ 16,728,240 (PY ₹ 16,009,080) @ ₹ 12 per Unit with Government of India towards Revenue subsidy/ Grant in the form of Generation Based Incentive.
- 31) Company raises energy sale bill, Fuel Adjustment Charges Bill, Surcharge bill etc to MSEDCL. The funds received from MSEDCL are appropriated on First In First Out Basis. While doing so, the receipts are appropriated firstly towards interest on delayed receipts and subsequently towards the principal amount due from MSEDCL.

The balances of Trade Receivables, loans and advances are subject to confirmation and reconciliation if any.

In the opinion of the Board of Directors, the Current / Non-Current assets, long/short term loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated other wise in the Accounts.

- 32) Short Term Loans and advances include an amount of ₹ 11,861,505,038 (PY ₹ 11,077,715,131) towards advances paid to coal suppliers. Against these advances the company has liability for supply of coal amounting to ₹ 12,304,581,577 (PY ₹ 10,338,622,276) which is included in Trade Payable under the head current liabilities. Pending final passing of bills for coal supplied by these coal suppliers, the said advances and liabilities have not been adjusted.
- 33) An amount of ₹ 464,644,371 (PY ₹ 467,840,296) under the head ‘Assets held for sale’ represents assets which are not in active use and the management has decided to dispose such assets. In view of the management, the net realizable value would be higher than the carrying value in the books and therefore does not require any provisioning.
- 34) Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSME) Act, 2006 have been determined based on the information available with the company and the required disclosures are given below.

	<b>Particulars</b>	<b>Amount</b>
a)	Amount remaining Unpaid to any supplier	
	Principal Amount	7,659,638
	Interest Due thereon	303,204
b)	Interest paid by the company alongwith payment made beyond appointed day during the year	-
c)	Amount of interest accrued and remaining unpaid	1,891,309
d)	Further interest remaining due and payable even in the succeeding year until such date when interest is actually paid to small enterprise	3,874,581

In case of DTPCL, as on 31-03-2015, there are no dues to Micro, Small and Medium Enterprises defined under “Micro, small and Medium Enterprises Development Act 2006”.

**35) Disclosures required by Accounting Standards**
**a) Employee Benefits**
**i) Short Term Employee Benefits**

Short term employee benefits like salaries, wages, allowances, perquisites, bonus, incentives, medical expenses reimbursements, contribution to group insurance schemes, leave travel assistance and other benefits which fall due within twelve months after the end of the period in which the employee renders the related services are accounted as expenses in the period in which services rendered.

**ii) Post Employment Benefits :- Defined Benefit Plan**

Provident Fund:

The Company makes contributions towards provident fund to a defined benefit retirement plan. The provident fund is administered by the Trustees of The Maharashtra State Electricity Board's Contributory Provident Fund Trust (CPF Trust). Under the scheme, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident funds are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The liability for the shortfall of interest is required to be accounted based on an actuarial valuation. The said Trust has not carried such actuarial valuation for the shortfall, if any, as at March 31, 2015. In the absence of the requisite details and information, the company accounted the shortfall based on the provisional financial statements of the trust as at March 31, 2015. Accordingly company has recognized ₹ Nil (PY ₹ Nil) liability (based on provisional accounts of CPF Trust) [being surplus to CPF Trust].

iii) The amount recognized in balance sheet in respect of Company's share of assets and liabilities of the fund managed by the CPF Trust is as follows (based on provisional accounts of CPF Trust).

	Particulars	31st March, 2015 (₹) (Unaudited)	31st March, 2014 (₹) (Unaudited)
1	Liability for subscriptions and interest payable to employees at the end of year	15,295,100,000	14,332,600,000
2	Fair Value of Plan Assets at the end of year	15,431,200,000	14,262,300,000
3	Net Liability	Nil	70,300,000

**iv) Description of Plan Assets**

	Particulars	For the year ended 31st March, 2015 (in %) (Unaudited)	For the year ended 31st March, 2014 (in %) (Unaudited)
1	Special Deposit Schemes	31.64	34.12
2	Bonds issued by public sector enterprises and Financial institutions	33.95	33.63
3	State Government Securities	15.27	14.89
4	Central Government Securities	18.28	16.49
5	Others	0.86	0.87

v) Gratuity (Unfunded Defined Benefit Plan) & Leave Encashment:

vi) Leave Encashment Benefit (Unfunded Defined Benefit Plan):

Leave encashment is payable to all the employees as per the company's scheme. The whole of privilege leave (PL) / Half Average Pay (HAP) Leave to the credit of employee can however be encashed at the time of super Annuation / final settlement of his account. Encashment of leave is done only on the applicable PL / HAP salary.

vii) Defined Benefit Plans – Gratuity and Long Term Compensated Absences – as per actuarial valuations as on March 31, 2015 and recognized in the financial statements in respect of Employee Benefit Schemes:

viii) Expenses recognized in the Profit and Loss Account

	Particulars	For the year ended 31st March, 2015 (₹)		For the year ended 31st March, 2014 (₹)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Components of Employer Expense	Unfunded	Unfunded	Unfunded	Unfunded
1	Current Service Cost	120,156,437	107,317,933	132,980,468	92,596,649
2	Interest Cost	413,905,533	358,592,260	367,025,882	308,330,940
3	Curtailement Cost / (Credit)				
4	Settlement Cost / (Credit)				-
5	Past Service Cost				-
6	Actuarial Losses / (Gains)	1,586,978,856	2,299,050,820	252,730,614	242,701,022
7	Total expense recognized in the Statement of Profit and Loss Account	2,121,040,826	2,764,961,013	752,736,964	643,628,611

The gratuity expenses have been recognized as 'Gratuity' and Leave Encashment expenses as 'Leave Encashment Scheme' in "Employee Benefit Expenses" under Note no. 18.

ix) Reconciliation of Defined Benefit Obligation

(Amt in ₹)

	Particulars	31st March, 2015 (31st March, 2014)	
		Gratuity Unfunded	Leave Encashment Unfunded
1.	Present Value of Defined Benefit Obligation at the beginning of period	4,474,654,412 (4,587,823,519)	3,876,673,079 (3,854,136,745)
2.	Current Service Cost	120,156,437 (132,980,468)	107,317,933 (92,596,649)
3.	Interest Cost	413,905,533 (367,025,882)	358,592,260 (308,330,940)
4.	Past Service Cost	--	--
5.	Curtailement Cost / (Credit)	--	--
6.	Settlement Cost / (Credit)	--	--
7.	Actuarial( Gains) / Losses	1,586,978,856 (252,730,614)	2,299,050,820 (242,701,022)
8.	Benefits Paid	1,391,492,089 (865,906,071)	1,082,836,736 (621,092,277)
9	Present Value of Defined Benefit Obligation at the end of period	5204,203,149 (4,474,654,412)	5,558,797,356 (3,876,673,079)

**x) Summary of Actuarial Assumptions**

	Particulars	For the year ended 31st March, 2015 (₹)	
		Gratuity Unfunded	Leave Encashment Unfunded
1	Increment Rate	5%	5%
2	Rate of Discounting	7.95%	7.95%
3	Attrition rate	2%	2%
4	Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

**b) Segment Reporting**
Business Segment

Electricity generation is the principal business activity of the Company. There are no other activities which form a reportable segment as per the Accounting Standard – 17 ‘Segment Reporting’.

Secondary Segment

The operations of the Company are mainly carried out within the state of Maharashtra and therefore geographical segments are not applicable.

**c) Disclosures of transactions with Related Parties as required by the Accounting Standard - 18:**
**MSPGCL**

In view of the paragraph 9 of AS 18, no disclosure is required as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

Other disclosures as required by AS 18 are as under:

## Remuneration paid to Directors

Name of Related Party		Nature of Relationship	2014-15 (₹)	2013-14 (₹)
i)	Mr. Bipin Shrimali	Chairman & Managing Director (from 05-01-2015 to 31-03-2015)	451,120	-
ii)	Mr. Asheesh Sharma	Chairman & Managing Director (from 01-04-2013 to 05-01-2015)	1,960,350	1,430,431
iii)	Mr. J.K.Shrinivasan	Executive Director (Finance) upto 25-05-2014 & Director (Finance) from 26-05-2014 to 31-03-2015)	2,424,920	1,405,656
iv)	Mr. S.M.A. Naqvi	Director (Finance) (from 26-12-2012 to 26-8-2013	-	443,273
v)	Mr. C.S.Thotwe	Executive Director (Project) upto 27-08-2013 and Director from 28-8-2013 to 31-3-2015	2,724,431	1,572,471
vi)	Mr. V.P.Singh	Executive Director (01-04-2013 to 31-07-2013) and Director (Operation) from (28-08-2013 to 31-03-2015)	3,657,500	5,831,424
Remuneration to Key Managerial Persons				
i)	Mr. A.R. Nandanwar	Executive Director (1-2-2013 to 31-03-2015)	2,274,860	1,508,318
ii)	Mr. V.S.Patil	Executive Director (01-04-2013 to 20-06-2013)	-	337,283
iii)	Mr. Manoj Ranade	Executive Director(HR) (16-10-2013 to 31-03-2015)	1,593,567	470,019
iv)	Mr. Rahul Dubey	Company Secretary (17-01-2006 to 31-03-2015)	1,508,732	1,083,353

**DTPCL**

As required under Accounting Standard 18 “Related Party Disclosure” (AS-18), following are details of transactions during the year with the related parties of the Company:

**a. Key Management Personnel**

i)	Shri Chandrakant S. Thotwe	Director
ii)	Shri A.S. Parate	Director
iii)	Shri Jaikumar Srinivasan	Director

Holding Company :- Maharashtra State Power Generation Company Limited

(Amt in ₹)

Nature of Transaction	Years	In relation to (a) above	In relation to (b) above
Unsecured Loans Taken	2015	Nil	29,973
	2014	Nil	61,048
Amount Outstanding as on 31st March 2014			
Loans Payable	2015	Nil	1,255,143
	2014	Nil	1,225,170
Note: Related Parties are as disclosed by the Management and relied upon by the auditors.			

**d) Disclosures regarding leases**

Operating Leases - Company's significant leasing arrangements are in respect of operating leases.

MSEB Holding Company Ltd. Lease - The Company has entered into the lease agreement with MSEB Holding company Ltd., initially for two years with effect from 01-04-2008 in respect of office premises occupied at Head Office i.e. Prakashgad and Dharavi, guest house at New Delhi and residential quarters at various places in Mumbai for which lease rent is payable to the extent of ₹ 118,867,935 p.a. for FY 2014-15 (PY ₹ 118,867,935). Further w.e.f. 27-05-2014, it has been mutually agreed among the group to extend the Agreement upto 31-03-2018 on same terms and conditions. Further the Company is also occupying certain part of premises at HSBC Building, Fort for which there is no lease agreement and hence there has been no provision for proportionate share of expenses for the past year. However expenditure will be accounted for on finalization of agreement.

Hydro Lease - MERC has issued order for revised lease rentals to be paid to Government of Maharashtra (GOM) with effective from 2012-13 in respect of various hydro power stations under the control of the Company. During year 2014-15 company has provided for lease rent of ₹ 3,215,400,000 (PY ₹ 3,262,596,000). Similarly, on the basis of Lease Rent order in respect of Ghatghar HPS dated 27-12-2012, Company has provided for ₹ 2,266,900,000 (PY ₹ 2,339,000,000) Further, vide letter dated 03-03-2011, GOM has informed that it would be taking over Bhatghar, Yeldari and Vaitarna HPS for Renovation and Modernization. However, at present these HPS are still in the possession of the Company and are being operated by the Company, hence the accounting effect of the same would be considered in the Books of Accounts of the Company in the year in which these HPS would be handed over to GOM.

The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra, hence other necessary disclosures as required by Accounting Standard 19 ‘Accounting for Leases’ have not been made.

Uran Leasehold Land – Company has acquired 190,799 sq. mtrs of land at Uran for the purpose of implementing Gas based Expansion project. The land for the said project has been acquired from CIDCO on lease vide Lease Deed dated 03-06-2008 for a period of sixty years at the cost of ₹ 429,300,000 and the same is being amortised.

- e) **Earning Per Share:-** For the purpose of calculating Earning Per Share, the share application money pending allotment has been considered being confirmed allotment.

	2014-15
Profit After Tax as per Accounts (Amount in ₹) (For Basic and Diluted Earnings Per Share) – (A)	4,342,932,282
Weighted Average number of shares outstanding during the year for Basic EPS (Nos.) – (B) *	8,350,519,715
Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) – (C)	8,350,519,715
Basic Earnings Per Share (A) / (B) (Amount in ₹)	0.52
Diluted Earnings Per Share (A) / (C) (Amount in ₹)	0.52

\* Weighted average number shares includes shares to be allotted towards share application money.

The Earning Per Share has been calculated for each share with nominal value of ₹ 10.

- f) **Taxation**

In the absence of any taxable income for the year as per the provisions of the Income Tax Act, 1961, tax liability is calculated at the minimum alternate tax (MAT) rate under section 115JB of the Income Tax Act, 1961 and provision of ₹ 2,166,000,000 (PY ₹ 723,000,000) has been made for the same. Since there is no convincing evidence that the Company will pay normal income tax during the specified period, the same has been charged to Statement of profit and loss and has not been treated as asset, as per Guidance Note on 'Accounting for Credit Available in Respect of Minimum Alternative Tax Under the Income-tax Act, 1961' issued by the Institute of Chartered Accountants of India.

- g) **Joint Venture Operations**

UCM Coal Company Ltd.

The Ministry of coal had allocated Chendipada coal blocks of Talcher Coalfields in Orissa jointly to the company, Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. and Chattisgarh Mineral Development Corporation. For this purpose a Joint Venture company namely UCM Coal Company Ltd. (domicile India) has been incorporated for executing proposed mining project with a paid up capital of ₹ 1,600,000 (160,000 equity shares of ₹ 10 each) out of which Company has held equity shares amounting to ₹ 3,00,000 (30,000 equity shares of ₹ 10 each) . The company has shareholding of 18.75% in the joint Venture. Based on the unaudited accounts of UCM Coal Company Ltd., the assets and liabilities as at 31st March 2015 in respect of the company's share in the above joint venture operation is as under:

Particulars	31-03-2015	31-03-2014
	Unaudited	Audited
Reserves & Surplus	-156,270	-54,289
Non-Current Liabilities		
Long Term Liabilities	937,500	937,500
Long Term Provisions	335,036	335,036
Current Liabilities		
Short Term Provisions	46,310	148,923
Non-Current Assets		
Net Block of		
Tangible Assets	5,025	7,240
Intangible Assets	342	1,481
Current Assets		
Cash and Others	1,457,210	1,658,449

The unaudited draft accounts of UCM Ltd discloses ₹ Nil contingent liability. Thus, there is no such share of any contingent liability as on 31/03/2015.

h) There are no outstanding Foreign Currency contracts as on 31-03-2015 which are hedged by the company.

**i) Disclosure on Changes in Accounting Policy**

The coal which is not pulverized in coal mill is expelled out as rejected coal & thus it is wastage generated in the process of pulverization of coal. As on 31-03-2015, Company has a rejected coal stock with expected realizable value of ₹ 711,093,648. Upto previous year Company used to recognize this stock in the books of accounts. However due to change in policy to account for the same when the stock is lifted, the same has not been accounted for during the current year. Had the company followed the same accounting policy as previous year, the profit would have been higher by ₹ 711,093,648.

**j) Disclosure on coal washery operator claims**

Company had in earlier years engaged Coal Washeries for the purpose of washing the raw coal as provided by the company to them on agreed terms. Since the contractual obligations were not performed by the washery operators, the matter went into dispute. The matter is legally pursued by the company. The stock of raw coal supplied by the company for washing, were not returned by the operators to the company. Consequently, company had created a full provision for loss on this account against the stock with washery operators as appearing in the books of the company. However, considering that there has been a considerable time lag and stock would not be physically available with the washeries / the stock would have perished, the Company has during FY 2013-14 has transferred the amount of stock lying the operators from inventories to a claim receivable from washery operators since the process of recovery through bank guarantee has initiated. Similarly the provision for loss created against such stock was transferred to provision for doubtful debts which amounts to ₹ 1,158,405,911.

**k) Impairment of assets of Mahaguj Collieries Limited:**

At each balance sheet date, management conducted an assessment of property, plant and equipment and all financial assets to determine whether there are any indications that they may be impaired.

During the year, the Hon'ble Supreme Court vide its Judgment dated 25.08.2014 and order dated 24.09.2014 in W.P. (Criminal) No. 120 of 2012 and other connected matters, has declared all allocations of the Coal blocks made through Screening Committee and through Government Dispensation route since 1993 as illegal and has quashed the allocations of 204 coal blocks. The same has been informed by the Ministry of Coal vide its letter dt. 01.10.2014 put up on its website. This includes our Machhakata- Mahanadi Coal Block also.

Thereafter, the Ministry of Coal invited details of valuation from prior allottees of Coal Block and subsequently, the valuation details were also required to be submitted on affidavit. The said information was submitted on affidavit claiming expenditure incurred only by the Company for development of the Coal Block. This information was sought by the MOC as there is mechanism for payment of the expenditure of the prior allottee through successful bidder.

As on date Coal Block allocation has been cancelled; however, in the subsequent bidding the Machhakata-Mahanadi Coal Block has not been allotted to any bidder as on March, 2015. Similarly, the Company has not received any communication from the Ministry of Coal denying the valuation and claims made by the Company. In view of this, the management is of the opinion that none of the Company's Assets are impaired.

In view of the cancellation of the Coal Block allocation by the honourable Supreme Court of India, the estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) are considered as NIL (Previous year ₹ 0.26 crores).

l) DTPLC has incurred a profit before tax of ₹ 51,751/- during the year and has accumulated losses of ₹ 991,049/- resulting in erosion of its net worth completely. However, considering the fact that the Company is a subsidiary of Maharashtra State Power Generation Company Limited, and is likely to operate a project in future and the industry to which the Company belongs where each project has a long term horizon, the accounts have been prepared on going concern basis.

m) Previous year figures have been regrouped wherever necessary.

**Long Term Borrowings**

(Annexure A)

St. No	Particulars of Lender	Nature of Loan	Repayment Within 1 Year Treated As Current Liability (₹ in Lakhs)	Net Long Term Borrowings (₹ in Lakhs)	Mode of Repayment	Rate of Interest	Nature of Security
1	PFC	New Parali Expansion Project Enhancement of Loan Amount	-	888,563,253	40 equal quarterly installments : commenced from July 2007	12.50%	Hypothecation of Steam Generator and Accessories of New Parali TPS Unit 1
2	PFC	Paras TPS Extension 1X250 M.W.coal Based Power Projectat Paras	1,102,534,020	2,646,081,591	48 equal quarterly installments : commenced from April 2007	12.50%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
3	PFC	New Parli Expansion Project Unit 2	888,141,015	7,107,314,427	60 equal quarterly installments :- commenced from April 2011	12.75% - 12.50%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
4	PFC	Paras Expansion Project Unit 2	1,087,101,480	8,815,185,733	60 equal quarterly installments :- commenced from April 2011	12.75% - 12.50%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
5	PFC	Khaperkhada TPS Expansion Project	-	22,410,402,661	60 equal quarterly installments :- commencing from July 2016	12.50%	Mortgage/ Hypothecation of Future assets to be created for project together with Land
6	PFC	Koradi TPS Expansion Project	-	73,578,028,199	60 equal quarterly installments : Commencing from July 2018	12.75% - 12.50%	A first pari-passu charge on all the movable & immovable assets of 3x660 MW Koradi Expn TPS including movable machinery, machinery spares, tools & accessories & material at project site, both present & future with a coverage of 1.25 times.
7	PFC	R & M of Koradi TPS Under 10 <sup>th</sup> Plan	13,709,069	-	40 equal quarterly installments : commenced from October 2005	9.25% to 10.18%	Assets of Parli TPS Unit 3,4 & 5 together with land
8	PFC	R & M of Parali TPS Under 10 <sup>th</sup> Plan	9,582,889	-	40 equal quarterly installments : commenced from October 2005	8.85% - 11.85%	Assets of Parli TPS Unit 3,4 & 5 together with land

9	PFC	R & M of Bhusawal TPS Under 10 <sup>th</sup> Plan	14,600,896	-	40 equal quarterly installments : commenced from October 2005	9.34% - 10.18%	Assets of Parli TPS Unit 3,4 & 5 together with land
10	PFC	R & M of Khaperkhada TPS Under 10 <sup>th</sup> Plan	2,913,043	-	40 equal quarterly installments : commenced from October 2005	11.85%	Assets of Parli TPS Unit 3,4 & 5 together with land
11	PFC	R & M of Chandrapur TPS Under 10 <sup>th</sup> Plan	23,459,253	-	40 equal quarterly installments : commenced from October 2005	8.85% - 9.76%	Assets of Parli TPS Unit 3,4 & 5 together with land
12	PFC	R & M of Nasik TPS under 10 <sup>th</sup> Plan Coal Mills of 210 MW Units By	25,574,996	-	40 equal quarterly installments : commenced from October 2005	9.25% - 9.61%	Assets of Parli TPS Unit 3,4 & 5 together with land
13	PFC	Flue Gas Duct Modification in Unit 5&6 (2X500) MW of Chandrapur TPS	2,749,999	-	40 equal quarterly installments : commenced from April 2005	9.10% - 9.46%	Assets of Parli TPS Unit 3,4 & 5 together with land
14	PFC	Various R&M Activities of Chandrapur TPS	36,100,205	14,440,085	40 equal quarterly installments : commenced from October 2006	8.50%	Assets of Parli TPS Unit 3,4 & 5 together with land
15	PFC	Renovation, Modernisation & Life Extension of 500 MW Koyana Hydro Power Station	63,000,000	50,399,999	40 equal quarterly installments : commenced from April 2007	7.15% - 9.75%	Assets of Parli TPS Unit 3,4 & 5 together with land
16	PFC	Procurement of Rotor	10,256,410	12,307,694	40 equal quarterly installments : commenced from January 2008	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
17	PFC	R & M of Chandrapur TPS	139,239,375	139,239,357	40 equal quarterly installments : commenced from July 2007	12.50- 12.75%	Assets of Parli TPS Unit 3,4 & 5 together with land
18	PFC	Procurement of Simulator For 500 MW Units At Chandrapur TPS	4,466,555	4,466,560	40 equal quarterly installments : commenced from July 2007	12.50%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,

19	PFC	Procurement of Generator Stator -Bhusawal TPS	17,837,840	17,837,835	40 equal quarterly installments : commenced from July 2007	12.25%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
20	PFC	Replacement of Existing Operating System (OS) & Information System (IS) For Waste Heat Recovery Unit I & II (2X120MW) GTPS Uran	1,263,155	1,515,791	40 equal quarterly installments : commenced from October 2007	12.25%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
21	PFC	Installation of Ammonia Flue Gas Conditioning System of 210 MW Units	5,086,890	11,191,165	40 equal quarterly installments : commenced from January 2009	12.25% to 12.75%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
22	PFC	R&M Works of Koradi TPS	16,248,050	71,491,453	48 equal quarterly installments : commenced from October 2009	12.25% to 12.75%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
23	PFC	R&M Works of Bhusawal, Parli & Paras	4,138,130	18,207,780	45 equal quarterly installments : commenced from October 2009	12.25%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
24	PFC	R&M Works of Nasik TPS U - 1 & 2	17,749,890	78,099,515	45 equal quarterly installments : commenced from October 2009	12.25%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,

25	PFC	Upgradation of Rly Siding System At Nasik TPS	26,041,755	114,583,724	48 equal quarterly installments : commenced from October 2009	12.25% to 12.75%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
26	PFC	Procurement of 250 MVA Generator Transformer For Koyna	3,833,330	12,266,666	48 equal quarterly installments : commenced from April 2008	12.50%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
27	PFC	Ash Bund For Koradi TPS	22,253,880	97,917,030	48 equal quarterly installments : commenced from October 2009	12.25%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
28	PFC	R&M Scheme of Replacement of Boiler Economizer / LTSH Coils And Water Wall Panels Required For Various TPS of MSPGCL	42,104,165	218,941,673	48 equal quarterly installments : commenced from October 2010	12.50%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
29	PFC	Procurement of LP Rotor As A Common Spare For Unit 5,6 & 7 of Chandrapur STPS	29,822,915	214,725,002	48 equal quarterly installments : commenced from April 2013	12.25% -12.50%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
30	PFC	Buyers Line of Credit - Capex Schemes For Existing Power Plants	421,524,017	2,042,183,743	40 equal quarterly installments : commenced from October 2013	12.50% to 12.75%	Assets of Parli TPS Unit 3,4 & 5 together with land
31	PFC	1 MW Solar Chandrapur	17,436,160	38,359,552	32 equal quarterly installments : commenced from January 2011	9.43% - 10.45%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land

32	PFC	R&M of water supply system of Parli TPS from Majalgaon Lift Irrigation Scheme.	-	1,420,000,000	40 equal quarterly installments : commencing from October 2016	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
33	PFC	R&M of Boiler & Turbine Improvement Scheme of Chandrapur STPS.	-	588,945,748	60 equal quarterly installments : commencing from October 2018	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
34	PFC	R&M of Ash Handling System of Unit 5&6 of CSTPS	809,090	23,463,615	60 equal quarterly installments : commencing from October 2015	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
35	PFC	R&M of Condenser Cooling System of Unit 5&6 of CSTPS	502,769	14,580,300	60 equal quarterly installments : commencing from October 2015	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
36	PFC	R&M For Process Improvement At Unit 3,4 & 5 of Nashik TPS Stage-II (3X210 MW).	-	3,793,500	40 equal quarterly installments : commencing from October 2016	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
37	PFC	R&M For Measuring & Monitoring of Coal Consumption of Bhusawal TPS	-	4,208,321	60 equal quarterly installments : commencing from October 2016	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
38	PFC	R&M For Turbine Auxiliary Performance Improvement Scheme of Bhusawal TPS.	-	25,381,353	60 equal quarterly installments : commencing from October 2016	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
39	PFC	R&M For Replacement of BFP (200 KHI) Cartridge With Energy Efficient Cartridge For Unit 3,4 & 5 of Parli TPS.	1,433,717	41,577,796	60 equal quarterly installments : commencing from October 2015	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land
40	PFC	Renovation and Upgradation of GT Automation System, Starting Frequency Converter & Static Excitation System of Unit 7 & 8, Stage -II of Uran GTPS	14,571,640	163,328,360	60 equal quarterly installments : commencing from Jan 2015	12.25%	Assets of Parli TPS Unit 3,4 & 5 together with land

41	PFC	Procurement of High Pressure Turbine (HPT) Module For Khaperkheda TPS Unit 1 & 2.	-	275,700,000	60 equal quarterly installments : commencing from April 2018	12.25%	Movable assets of Nashik TPS Unit 3,4 & 5.
42	PFC	R & M For Turbine Auxiliary Consumption Improvement At Stage II (Unit 3,4 & 5 3X210 MW), Nashik TPS.	6,127,974	77,915,390	60 equal quarterly installments : commenced on October 2014	12.25%	Movable assets of Nashik TPS Unit 3,4 & 5.
43	PFC	Construction of Concrete Road From Nashik-Pune Highway To Booster Pump House At Nashik TPS	-	44,912,014	60 equal quarterly installments : commencing from Jan 2017	12.25%	Movable assets of Nashik TPS Unit 3,4 & 5.
44	PFC	Expediting Unloading of Coal Wagons By Up-Grading The Existing System In Maharashtra. (DPS of Nashik TPS)	353,130	10,240,779	60 equal quarterly installments : commencing from October 2015	12.25%	Movable assets of Nashik TPS Unit 3,4 & 5.
45	PFC	Various Schemes of KGSC, Phophali In Maharashtra	2,011,097	58,321,801	60 equal quarterly installments : commencing from October 2015	12.25%	Movable assets of Nashik TPS Unit 3,4 & 5.
46	PFC	Power Supply Arrangement At Colony, Separate 25 KV OHE Supply Feeding Arrangement To BESG Siding & Providing of Passenger Elevators At Paras TPS	460,054	13,341,565	60 equal quarterly installments : commencing from October 2015	12.25%	Movable assets of Nashik TPS Unit 3,4 & 5.
47	PFC	Various Schemes of Small Hydro Stations In Maharashtra. (Pune SHPC And Nashik SHPC)	131,374	3,809,832	60 equal quarterly installments : commencing from October 2015	12.25%	Movable assets of Nashik TPS Unit 3,4 & 5.
48	REC	Bhusaval Expansion Project	1,077,479,166	47,409,083,289	48 equal quarterly installments : commencing from March 2016 (3 installments already paid in FY 2013-14)	12.25% - 12.50%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land

49	REC	Chandrapur Expansion Project	-	43,396,118,333	48 equal quarterly installments : commencing from September 2017	12.25% - 12.50%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
50	REC	Parli Replacement Project	-	10,770,833,326	48 equal quarterly installments : commencing from September 2016	12.25% - 12.50%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
51	REC	Procurement of Spare HPT Module For Khaperkheda TPS	-	204,406,845	7 equal annual installments commencing from 15-January 2017	12.00%	Hypothecation of Future assets to be created from the R&M Scheme
52	REC	R&M - T, I&C Up-Gradation Through Burner Management System, Excitation System, HT Motor Protection Etc. Form Parli TPS Unit 3,4 & 5	-	35,889,724	7 equal annual installments commencing from 15-February 2017	12.00%	Hypothecation of Future assets to be created from the R&M Scheme
53	REC	ESP Restoration/ Refurbishment (Improvement In Stack Emission Control) Unit 5,6 & 7. Chandrapur STPS	-	9,219,936	7 equal annual installments commencing from 15-March 2017	12.00%	Hypothecation of Future assets to be created from the R&M Scheme
54	REC	Measurement & Monitoring of Coal Consumption. At Nashik TPS	-	9,150,246	7 equal annual installments commencing from 15-March 2017	12.00%	Hypothecation of Future assets to be created from the R&M Scheme
55	REC	Input Source Measurement Scheme (Fuel Oil, Water, Auxiliary Power & Coal Flow) - Chandrapur STPS	-	9,222,125	7 equal annual installments commencing from 30-January 2017	12.00%	Hypothecation of Future assets to be created from the R&M Scheme
56	Canara Bank	Capex (Servicing of MSETCL Dues On A/C of Loan Serviced By MSETCL & Subsequently Transferred To MSPGCL)	163,396,800	113,470,000	28 quarterly installments : commenced from January 2010	Base Rate + 1.25% (Floating) (presently 11.45%)	All Movable Property of Khaperkhada TPS , (Unit 1,2,3 & 4)
57	South Indian Bank	Capex (Long Term) For Funding of Capital Expenditure of Existing Power Stations	150,000,000	937,481,161	40 quarterly installments of Rs.3.75 crores commenced from Aug 2012	Base Rate + 1.00 (Floating) (presently 11.50%)	Movable assets (BOP mechanical package) of Parli Unit -6

58	Housing & Urban Development Corporation Ltd. (HUDCO)	Construction of Staff Quarters At Koradi Project 3X660 MW	35,500,000	43,439,339	32 quarterly installments of Rs. 88.75 lacs commencing from 31.5.2015	Floating rate (10.75%)	Mortgage/ Hypothecation of Future assets to be created for construction of staff quarters together with Land
59	Indian Renewable Energy Development Agency Ltd. (IREDA)	4 MW Solar Power Generation Project At Chandrapur, Maharashtra	39,392,000	160,826,000	40 equal quarterly installments of Rs. 98.48 lacs commenced from 30.09.2014	11.75%	Mortgage/ Hypothecation of Future assets to be created out of 4 MW Solar Project together with Land
60	Canara Bank	Establishment of 3X660 Thermal Powe Plant At Koradi, Dist- Nagpur	-	8,294,740,000	38 equal quarterly installments after 6 month from the date of commissioning of first Unit	Base Rate + 1% (Floating) (presently 11.20%)	Mortgage & Hypothecation of all Movable & Immovable assets of Koradi Project 3x660 MW
61	Bank of India	Establishment of 3X660 Thermal Powe Plant At Koradi, Dist- Nagpur	-	6,751,953,535	38 equal quarterly installments after 6 month from the date of commissioning of first Unit	Base Rate + 1% (Floating) (presently 11.20%)	Mortgage & Hypothecation of all Movable & Immovable assets of Koradi Project 3x660 MW
62	PFC	Setting Up of Parali TPS Ext 1X250 MW Coal Based Power Project At Parali TPS.	1,220,715,935	332,152,626	40 equal quarterly installments : commenced from July 2007	12.50%	Unsecured - backed by GOM Guarantee
63	PFC	ESP Augumentation/ Retrofit For Koradi TPS Unit 5 (200 MW) & Unit No. 6 At Uran GTPS.	11,143,715	- 3	40 equal quarterly installments : commenced from April 2006	6.8% - 7.18%	Unsecured - backed by GOM Guarantee
64	PFC	ESP Augumentation And Upgradation of Air Pollution Control For MSEB's 10 Units	1,422,086	-	40 equal quarterly installments : commenced from April 2005	7.18%- 10.03%	Unsecured - backed by GOM Guarantee
65	PFC	For Renovation And Modernisation Scheme For Modification of Coal Mills of 210MW Units By Parali TPS	1,425,000	-	40 equal quarterly installments : commenced from October 2005	6.18%	Unsecured - backed by GOM Guarantee

66	PFC	Rehabilitation of Parali TPS unit No 1&2 2X30 MW	9,380,339	-	40 equal quarterly installments : commenced from January 2006	6.80% - 8.50%	Unsecured - backed by GOM Guarantee
67	PFC	R&M Schemes For Augment -Ation of Water Supply System For Parali TPS	39,649,353	-	40 equal quarterly installments : commenced from April 2006	7.75% - 8.50%	Unsecured - backed by GOM Guarantee
68	PFC	R & M of Uran Gas Turbine Plant In Maharashtra I & II Under K F W Assistance.	143,291,650	114,633,310	40 equal quarterly installments : commenced from April 2007	8.50% - 8.75%	Unsecured - backed by GOM Guarantee
69	PFC	Installation of Flue Gas Conditioning System For Ammonia Injuction	8,455,455	1,691,092	40 equal quarterly installments : commenced from July 2006	7.34% - 8.50%	Unsecured - backed by GOM Guarantee
70	PFC	Renovation, Modernisation, and Life Extension of Koyana Hydropower Station Stage III TPS Unit I To IV	11,778,915	11,778,919	40 equal quarterly installments : commenced from July 2007	8.50% - 14.25%	Unsecured - backed by GOM Guarantee
71	PFC	Renovation and Modernisation of Koyana HPS Stage I and II	8,570,435	8,570,440	40 equal quarterly installments : commenced from July 2007	12.50% - 13.25%	Unsecured - backed by GOM Guarantee
72	KfW-Germany	Establishment of 150 MW Solar Power Plant At Sakri-Dhule	1,844,800,000	6,113,594,131	21 semi annual installments commenced from 30.12.2013	Fixed rate (1.96%)	Unsecured - Back to back arrangement GoM & Govt of India.
73	IBRD-World Bank	Funding For Koradi TPS Unit-6 EE R&M	-	270,832,310	50 semi annual Installments beginning from 15.12.2014 till 15.6.2039	Six month LIBOR + variable Spread (0.80%)	Unsecured - Back to back arrangement GoM & Govt of India.
74	GOM	Parli Unit 6 Project	165,120,980	-	120 equal monthly installments : Commenced from April 2006	11.50%	Unsecured
75	GOM	Paras Unit 3 Project	150,921,250	-	120 equal monthly installments : Commenced from April 2006	11.50%	Unsecured
76	GOM	Uran GTPS Capex	250,200	500,412	120 equal monthly installments : Commenced from April 2008	11.50%	Unsecured
		<b>TOTAL</b>	<b>9,157,863,505</b>	<b>246,372,857,959</b>			

## Short Term Borrowings ((Annexure B)

Sr. No	Particulars of Lender	Outstanding balance as on 31.3.15 (Rs. in Lakhs)	Terms of Repayment	Rate of Interest	Nature of security
1	Bank of India	2361,75,43,104	Sanctioned for a period of one year and renewal on yearly basis	Rate of interest is based on Bank Base Rate	Book debts and stocks alongwith collateral security in the form of charge on movable assets of Khaperkheda TPS Unit 1,2,3 & 4
2	Canara Bank	1849,15,06,000			
3	Bank of Maharashtra	419,13,06,000			
4	Indian Bank	40,899,87,713			
5	Central Bank of India	-			
6	Vijaya Bank	149,08,91,269	6 months from the date of availment	Rate of interest is based on Bank Base Rate (Floating) (10.25%)	Unsecured
7	Vijaya Bank - Earmarked for funding of General Capex	50,91,08,731	6 months from the date of availment	Rate of interest is based on Bank Base Rate (Floating) (10.25%)	Unsecured
8	Central Bank of India	50,00,00,000	1 Year from the date of availment	Rate of interest is based on Bank Base Rate (Fixed) (10.25%)	Unsecured
9	Dena Bank-	250,00,00,000	6 months from the date of availment	Rate of interest is based on Bank Base Rate (Fixed) (10.25%)	Unsecured
10	Vijaya Bank - Earmarked for funding of TIDC-advance water charges-BSL 2x500 MW TPS		6 months from the date of availment	Rate of interest is based on Bank Base Rate (Fixed) (10.25%)	Unsecured
11	Bank of India	500,00,00,000	6 months from the date of availment	Rate of interest is based on Bank Base Rate (Fixed) (10.20%)	Unsecured
	<b>Total</b>	<b>6039,03,42,817</b>			

# Projects Features



**Boiler U#8 & U#9 Chandrapur**



**Chandrapur Crusher House**



Koradi U#8 in service



Nagpur Bhandewadi (Sewage treatment plant)



Parali U#8 CW Pump House



Parali U#8 NDCT



**Parali U#8 Stacker Reclaimer**



**Parali U#8 Wagon Tippler**