



Generating for Generations

**12th ANNUAL REPORT
2016-2017**



MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

ANNUAL REPORT 2016-2017



Annual Report 2016-2017

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Maharashtra State Power Generation Co. Ltd.

Board of Directors (from 01.04.2016 up to AGM date)

Chairman & Managing Director	Shri Bipin Shrimali (w.e.f. 05.01.2015)
Director	Shri Mukesh Khullar (w.e.f. 04.02.2015 to 07.05.2016) Shri Arvind Singh (w.e.f. 22.02.2017)
Director (Mining)	Shri Shyam Wardhane (w.e.f. 14.09.2016)
Director (O)	Shri Vijay Singh (w.e.f. 28.08.2013 to 28.08.2016) Shri C. S. Thotwe (w.e.f. 19.09.2016)
Director (F)	Shri J. K. Srinivasan (w.e.f. 26.05.2014 to 11.08.2017) Shri S. J. Amberkar (w.e.f. 11.08.2017)
Director (P)	Shri C. S. Thotwe (w.e.f. 28.08.2013 to 28.08.2016) Shri V. M. Jaideo (w.e.f. 19.09.2016)
Director	Smt Irawati Dani (w.e.f. 26.06.2014 to 31.05.2017)
Director	Shri Vishwas Pathak (w.e.f. 21.07.2015)

DIRECTOR'S REPORT

Dear Members

Your Directors are pleased to present the 12th Annual Report and the audited annual accounts for the year ended 31st March 2017.

Financial Results (Stand alone)

(₹ Crores)

	2016-17	2015-16
Income		
Revenue from Sale of Power (net)	18164	19293
Other Income	200	173
Gross Income	18364	19466
Expenditure		
Cost of Material consumed	11023	11318
Other Exp	2018	1939
Employee Cost	1239	1216
Depreciation / amortization	2107	1634
Finance Cost	2907	2002
Profit before Tax	(930)	1357
Tax (net)	(342)	22
Net Profit after tax	(588)	1335
Remeasurements of the defined benefit plans	(58)	(54)
Tax expense on OCI items	18	18
Total Comprehensive Income for the period, net of tax	(628)	1299

Applicability of Indian Accounting Standards

Ministry of Corporate Affairs Notification no G.S.R. 111(E) has specified Companies (Indian Accounting Standard) Rules 2015 According to the same it obligatory on MSPGCL to prepare the financial statement of company in accordance with Indian Accounting Standards specified in annexure to above Rules w.e.f. 01.04.2016. As per rules. It is also obligatory for the company to prepare comparative figures for the period ending on 31.03.2016. In view of this Financial statements have been prepared in accordance with Companies (Indian Accounting Standard) Rules 2015.

(A) Financial Performance

During the year under review, the income from sale of power decreased by 5.85 % from ₹ 19293 crores to ₹ 18164 crores. Decrease in revenue from sale of power was due to negative true up order of MERC for the earlier years. Other income during this period increased by 15.60 % by ₹ 27 crores thereby making overall decrease in total income by 5.66%. The cost of material consumed decreased from ₹11318 crores to ₹ 11023 crores. The main reason for decrease in this cost was decrease in cost of Gas purchase by ₹ 244 crores and reduction in coal handling charges by ₹ 47 crores. The Finance cost increased by 45.20% from ₹ 2002 crores to ₹ 2907 crores mainly on account of full impact of interest burden on commissioning of Koradi, Chandrapur and Parli new units. Employee cost has increased marginally from ₹ 1216 crores to ₹ 1239 crores (1.89%). Depreciation /amortization have increased by 28.95 % due to full impact of depreciation on newly commissioned units at Koradi, Chandrapur and Parli. The other expenses have increased from ₹ 1939 crores to ₹ 2018 crores. Consequently, there is overall profit before tax/(loss) ₹ (930) crores as against profit of ₹ 1357 crores previous year (restated as per Indian Accounting standards). After Provision of Income tax overall net loss was ₹ 628 crores as against net profit of ₹ 1299 crores (restated as per Indian Accounting standards).

(B) Operational Performance

Your company has total Installed Capacity of 13817 MW as on 31st March 2017. Following units declared for commercial operation;

- 1) Chandrapur Unit 8 (500MW) - 04.06.2016
- 2) Chandrapur Unit 9 (500MW) - 24.11.2016
- 3) Koradi Unit 9 (660MW) - 22.11.2016
- 4) Koradi Unit 10 (660MW) - 17.01.2017
- 5) Parli Unit 8 (250MW) - 19.11.2016

- During the year 2016-17, for coal-fired plants, the average availability factor was 64.02% as against 70.12% of last year.
- The plant load factor was 52.74% as against 56.02% of last year.
- The planned outage & forced outage factor for the year 16-17 were 12.69% & 7.19% as against 5.67% & 7.30% for 2015-16.
- The outages due to external factors (Zero schedule by MSEDCL, eco. Shutdown & water shortage) was 16.10%.

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

- a. Parli U-6 - 01.04.2016 to 22.09.2016
- b. Parli U-7 - 01.04.2016 to 22.09.2016

Following units were under economic shutdown as per MERC order-

- a. Parli U-4 - 01.04.2016 to 31.03.2017
- b. Parli U-5 - 01.04.2016 to 31.03.2017

Following unit is under R & M for the period mentioned below-

- a. Koradi U-6 - 01.04.2016 to 31.03.2017

Following unit was decommissioned and retired.

- a. Koradi U-5 from 02-03-2016

For gas based plants, average availability was 93.77% and PLF was 55.97% due to less gas receipt.

The other operational performance factors are as below:-

- The Realization of Coal for the current year was 74.95% as against 80.60% of previous year.
- Specific coal consumption for the current year was 0.739 Kg/ Kwh as against 0.813 Kg/ Kwh of last year.
- The Boiler tube leakage percentage for the current year was 2.92% as against 2.13% of last year.
- Specific oil consumption for the current year was 1.15 ml/Kwh as against 0.89 ml/Kwh of last year.
- The auxiliary consumption was 8.35% as against 9.11% of last year.
- The average gross calorific value of coal fired during the year was 3373 Kcal/Kg.
- The heat rate for the current year was 2504 Kcal/kwh.
- The transit loss for the current year was 1.06% as against 0.93% for last year.
- **Mahagenco highlights during the year 2016-17**
 - Nasik TPS has achieved all MERC performance parameters.
 - Paras Unit-4 (250 MW) highest PLF - 86.50 %
 - Achieved lowest Sp. Coal consumption of 0.739 Kg/kwh
 - Achieved lowest Aux. cons. of 8.35 %
 - Achieved Lowest Heat Rate of 2504 kcal/kwh
 - PLF of Mahagenco Thermal Units

Particulars	2015-16	2016-17
PLF(%) as per CEA	56.02	52.74
PLF(%) excl. closed units (water shortage, eco/ reserve shutdown) and incl. backing down	76.72	80.13

Dividend

Your company has incurred a loss of ₹ 628 Crores during the current year. Even after considering the consistently generated revenue surplus from operations year after year, barring current 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. Hence your directors have not recommended dividend for the year under review.

New Capacity Addition

For meeting the power demand in the state of Maharashtra, Mahagenco is taking up implementation of various thermal power projects. CoD of various completed projects during 2016-17 and status of future projects is as under:

(A) CoD of Completed projects - 3230 MW:

Commercial Operation (CoD) of the following units achieved during the year 2016-17.

1. Chandrapur TPS Unit 8 (500 MW) : 04.06.2016
2. Parli TPS Unit 8 (250 MW) : 19.11.2016
3. Koradi TPS Unit 9 (660 MW) : 22.11.2016
4. Chandrapur TPS Unit 9 (500 MW) : 24.11.2016
5. Koradi TPS Unit 10 (660 MW) : 17.01.2017

(B) Ongoing Projects - Nil**(C) Future Projects - 2120 MW :****1. Bhusawal Thermal Power Station Unit 6 (1x 660 MW)**

- Land for the project is acquired.
- Water: Can be made available from Hatnur Dam, Sudhgaon Bandhara and Ozerkheda Dam.
- MoEF has accorded Environmental Clearance for the project on 27.11.2012.
- Power Purchase Agreement: MERC passed the order for PPA between Mahagenco & MAHAVITARAN.
- Bid submission against tender on EPC basis carried out on 13.01.2014. Price Bids opened on 07.04.2015.
- M/s. BHEL, being L1 bidder has extended the bid validity upto 30.11.2017 as requested by Mahagenco.
- Board of Directors of MSPGCL has accorded approval for placement of order on M/s BHEL. Further course of action is in progress.

Above project has been approved by GOM vide GR no Project - 2010/ Pra. Kra. 3/ Urja-4 dated 05.10.2010.

2. Tata-MSPGCL Joint Venture (JV) Coal based Power Project of 1320 MW capacity (2 x 660 MW) at Dherand, in Maharashtra - (Rest of Maharashtra share : 660 MW):

- 2 x 660 MW coal based Thermal project by forming Joint Venture with M/s Tata power is proposed at Dherand.
- A Joint Working Committee of MSPGCL and M/s TPCL is formed in view to finalize various aspects related to JV Project including financial model of Project.
- Joint working committee is exploring for Projected Tariff of Project during Financial Year 2021-22, considering various combinations of Domestic & Imported coal, in view that Variable cost of the energy from this project can be positioned in Merit Order dispatch, so that power from this can be dispatched positively as per MOD.
- Based on joint discussion & mutually agreed assumption, M/s. TPL now submitted variable cost model along with fuel assumptions and same is under review of MSPGCL.

3. Umred PIT Head Thermal Power Project (1x800 MW).

- Board in its meeting held on 22.03.2017 has accorded in-principle approval for establishment of this project and also for appointment of consultant for pre-feasibility study, feasibility report and DPR subject to confirmation of availability of land and water from M/s WCL.

- Accordingly, LoA is issued to successful consultant for pre-feasibility study, feasibility report and DPR on 15.06.2017. Assessment & appraisal to authorities, of the Feasibility Report submitted by the consultant is in process at MSPGCL.

EE R & M KORADI UNIT - 6 :

Mahagenco started work of Renovation and Modernisation of Koradi Unit 6 and Renovation & Modernization execution work of this unit is already commenced from August 2015 and completion is expected in January 2018. World Bank is funding for this R&M work of Koradi Unit 6.

PIPE CONVEYOR SCHEME - CHANDRAPUR STPS

In order to preserve environment of Chandrapur TPS and surrounding areas Mahagenco has opted for transportation of coal in Pipe Conveyors to Chandrapur TPS from surrounding mines.

The Brief Details of project are as under:

- Total Length: 6.1. Km.
- Capacity : 500 TPH
- LoA issued to M/s. Thyssenkrupp on 14.02.2017
- Contract Price: 173.77 Crores.
- Execution Period : 15 Months
- Coal transportation from Bhatadi Coal mine to Padmapur existing Wagon Loading station.
- Mining Plan :

Sr. No.	Mine	Production capacity	Life of Mine
1	Bhatadi OCM (Existing)	0.975 MMTPA	14 Years
2	Bhatadi Expansion (Proposed)	1.250 MMTPA	30 years
	Total	2.225 MMTPA	

PIPE CONVEYOR SCHEME - KORADI & KHAPARKHEDA

In order to preserve environment of Koradi & Khaparkheda TPS and surrounding areas Mahagenco has opted for transportation of coal in Pipe Conveyors to Koradi & Khaparkheda TPS from surrounding mines.

The Brief Details of project are as under:

- Total Length : 16.1 Km
- Capacity : 1200 TPH
- Total Estimated Cost : ₹ 516 Crores.
- Estimated cost for the EPC Contract : ₹ 439.14 Crores.
- Execution Period : 21 Months.
- Coal transportation from Gondegaon, Bhanegaon & Singori coal mines to Khaparkheda & Koradi TPSs.
- Mining Plan :

Sr. No.	Mine	Production capacity	Life of Mine
1	Inder (UG to OC)	1.20 MMTPA	21 Years
2	Kamptee Deep	2.00 MMTPA	13 years
3	Gondegaon	2.50 MMTPA	12 years
4	Bhanegaon OC	1.00 MMTPA	19 Years
5	Singori	0.85 MMTPA	16 Years
	Total	7.55 MMTPA	

FGD SYSTEM FOR UNIT NO 10 OF 3 X 660 MW KORADI TPS

- MSPGCL Board had accorded the in-principle approval for installation & commissioning of FGD system for Koradi Unit No.10 vide Board Resolution No 2016/2013, MSPGCL/BM-158/158.13 dated 02.06.2016.
- MSPGCL Board has accorded in principal approval for implementation of the Action Plan for installation & Commissioning of FGD Projects at Various Thermal Power Stations of MAHAGENCO.

Sr. No.	Name of the Unit	Unit No	MW
1	Chandrapur 2 x 500MW	8 & 9	1000
2	Chandrapur 2 x 500MW	5,6 & 7	1500
3	Bhusawal 2 x 500 MW	4 & 5	1000
4	Paras 2 x 250 MW	3 & 4	500
5	Parli 3 x 250 MW	6, 7 & 8	750
6	Khaperkheda 1 x 500 MW	5	500
7	Koradi 660 MW	8,9	132
	Total No of TPS Units (15 Nos)		6570 MW

SOLAR POWER GENERATION

- EXISTING SOLAR POWER PROJECTS INSTALLED BY MAHAGENCO :**

Sr. No.	Location of Project	Capacity (MW)	COD	Expected Generate/yr in Mus	Generation since COD till March 2017 in Mus
1	Tal. Dist. Chandrapur	1	09.04.2010	1.583	96.700
2	Tal. Dist. Chandrapur	2	12.02.2012	3.400	15.188
3	Tal. Dist. Chandrapur	2	18.10.2011	2.949	13.700
4	Shivajinagar Tal.Sakri, Dist. Dhule	50	29.03.2013	83.000	329.850
5	Shivajinagar Tal.Sakri, Dist. Dhule	75	29.03.2013	125.500	489.480
6	Shirsuphal Tal. Baramati, Dist. Pune	36	19.12.2014	59.800	152.690
7	Shirsuphal Tal. Baramati, Dist. Pune	14	31.03.2015	23.000	48.290

- GOM POLICY :**

Energy Department of GoM has published a RE Policy-2015 under this policy, solar power projects of 7500MW capacity will be developed of which, a total of 2500MW capacity solar power projects will be developed by Mahagenco in Public Private Partnership mode to fulfill the Renewable Generation Obligations (RGO). The remaining capacity of 5000MW solar power projects will be developed by other developers.

Of the target meant for development of solar power projects through MAHAGENCO on public private partnership mode, ten percent of it shall be implemented at places available along canals, Lakes, water bodies of Water Resources department or interested local government bodies for this purpose. The agreement will include the aspects of installation of project, revenue sharing, project management etc.

- Finalization of methodology :**

Board of Mahagenco has approved the implementation methodology of 2500 Capacity solar power projects under different type of implementation mode and capacity was allocated for each mode was as under

Mode	Capacity MW	Description
Competitive bidding	1000	Land to be obtained from Gov. of Maharashtra by Mahagenco and leased to Private developers. An appropriate revenue share based on cost of land converted into equity may be considered.
Project Based on Agriculture Feeder	250	The species of the scheme would be decided at later stage.

EPC	500	Mahagenco to commence projects on EPC mode on the land under possession of Mahagenco.
Innovative	250	To be implemented along with the irrigation department and other department of GoM with innovative technological modalities.
Solar Park	500	To be developed at Dondaicha under the Central Govt. solar Park scheme and Private developers to bid under Competitive bidding mode.

This methodology was approved by the MSEB Holding Company.

- **HON. CHIEF MINISTER SOLAR AGRICULTURE FEEDER SCHEME :**

Description :-

Hon. CM Solar Agriculture feeder Scheme" dated 14 June 2017 envisages,

1. Low cost Power to Agri-consumers
 2. Availability of electricity in day time.
 3. Reduction in cross subsidy on Industrial & Commercial consumers.
- Mahagenco with the help of MSEDCL and MEDA to implement under PPP mode, on pilot basis at Ralegan Siddhi in Ahmednagar district and Kolambi at Yavatmal district in Maharashtra.
 - Project to be located on Govt./ Private land in the periphery of 5-10KM from 11KV to 132KV substations. Considering the load on AG feeders (Separated) the capacity of Solar power project will be finalized.
 - Exemption from all fees/charges/ cess levied by State Govt./ authority for the projects.
 - **1500 MW AGRICULTURAL FEEDER :**
Mahagenco has planned to install 1500 MW A G Feeder Solar Projects at various locations in Maharashtra.
 - Responsibilities of Utilities
 1. MAHAGENCO :
 - a. Mahagenco will develop the land and infrastructure.
 - b. Mahagenco will sign PPA with the SPD for 25 years.
 2. MSEDCL :
 - a. MSEDCL will provide evacuation facility.
 3. MEDA :
 - a. MEDA will register the project and provide VGF for the infrastructure.
 4. SOLAR PROJECT DEVELOPER (SPD) :
 - a. SPD will develop the project including O&M for the period of 25 years.
 - **PILOT PROJECTS :**
 - NIT for Pilot projects for Solar AG feeder project at Kolambi & Ralegan Siddhi for 2 MW was published on 19.05.2017.
 - Price offered in reverse bidding For Ralegansiddhi is ₹ 2.94/KWH & LOA is issued to the developer.
 - Price offered in reverse bidding For Kolambi is ₹ 2.97/KWH & LOA is issued to the developer.
 - The civil work for the above sites is in progress.
 - **Under EPC mode following Solar Projects are proposed:-**
 - **500 MW EPC :**
 - **50MW Koudgaon (Non-DCR) :**
 - 50MWAC Crystalline SPV Technology Grid Interactive Solar PV Power Plant at Koudgaon, Dist. Osmanabad.

- **25MW Sakri (DCR) :**
 - 25MWAC Crystalline SPV Technology Grid Interactive Solar PV Power Plant at Sakri, Dist. Dhule.
- **250 MW INNOVATIVE :**
 - The LoA for consultancy services for preparation of DPR for 250 MW innovative solar power projects at canals, lakes, reservoirs, water bodies of WRD dept. etc and running of bid process, etc is issued on dtd. 03.12.2016.
 - Work order for preparation of master plan, DPR, etc. for 250 MW innovative solar power projects in Maharashtra issued to the consultant on dtd. 20.07.2017
 - The following sites are identified and the MW capacity of the proposed sites is mentioned below :

Sr. No.	Site Discription	Estimated Capacity of Solar Projects (MW)
1	Bhatsa Reservoir	07
2	Ghatghar (Lower) Reservoir	28
3	Ghatghar (Upper) Reservoir	
4	Vaitarna Reservoir, Vaitarna Cannels (LBC & RBC)	149
5	Alwandi Reservoir	
6	Dhamani Reservoir	291
	Total	475

- **Nagpur Metro Consultancy :**

Under the Innovative Programme for Solar Power projects it is proposed to install Solar Power projects at Nagpur Metro Projects site for this purpose mahagenco has done following activities:-

 - LoA issued to M/s. BRR Renewable Energy consultant for consultancy services.
 - Proposed Solar Project:- 16 MW capacity
- **1000 MW PPP :**

Under the 1000 MW PPP mode following activities have been done:-

 - 5084.18 H of land in Maharashtra identified for 1000MW PPP solar power projects.
 - Site assessment reports of the same submitted by the consultant.
 - **LIFT IRRIGATION SCHEME :**
 - 1. Tembhur, Dist., Satara**
 - a. 60 MW capacity Solar power Project of Tembhur LIS is undertaken.
 - b. NIT for the solar power project published on dtd. 12.08.2017 & last date for submission of bid is on 26.09.2017. Two bids received.
 - 2. Mor, Dist. Jalgaon**
 - a. 65 MW capacity Solar power project DRP is submitted to WRD & tender published on dtd. 13.10.2017
 - 3. Bembla and Lower Wardha**
 - a. Prefeasibility survey done by Consultant
 - b. 15 MW at Bembla, Dist. Yavatmal and Lower Wardha, Dist. Wardha can be installed.
 - c. Work Order issued to the consultant for preparation of DPR, running the bid process, etc.
 - 4. Takari & Mhaisal**
 - a. The land identification nearby area is in progress, accordingly DPR will be prepared. Tender will be floated in line with Tembhur LIS.
 - Mahagenco will act as Project Implementing Agency (PIA) in above projects.

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 Security**A) Coal Supply Agreements :**

Mahagenco has signed FSA's with Coal Companies. The TPS wise linkage to Mahagenco TPSs from each of the Coal Company for FY-2016-17 is furnished below in tabular form (Qty in MMTPA)

TPS	WCL	MCL	SECL	SCCL	FSA Qty
Bhusawal	4.451	0	2.312	0	6.763
Chandrapur	11.890	0	0.910	0	12.800
Khaperkheda	1.432	3.879	2.001	0	7.312
Koradi	0.500	1.100	1.851	0	3.451
Nasik	2.354	0	0.724	0	3.078
Paras	2.503	0	0	0	2.503
Parli	3.419		0	2.260	5.679
Total	26.549	4.979	7.798	2.260	41.586

B) Bridge linkage quantity :

Bridge linkage for FY 2016-17 with WCL and SCCL is as below.

Power station	WCL (G8-G10) in MMT	SCCL (G-9) in MMT	Total For FY 2016-17
Koradi 3x660MW (80% from WCL & 20% from SCCL)	4.775	0.650	5.425
Chandrapur (2x500MW)	3.328	0.000	3.328
Parli (1x250MW)	0.000	0.433	0.433
Total	8.103	1.083	9.186

c) During FY 2016-17 coal supply to Mahagenco TPSs is as follows

Coal Company	Order Booking Program In MMT	Receipt In MMT	% Materialization
WCL	27.124	20.034	73.86
MCL	0.120	0.302	251.79
SECL	6.597	4.525	68.59
SCCL	5.436	4.457	81.99
TOTAL	39.277	29.318	74.64

Imported Coal (2016-17) :

- Mahagenco had placed two separate orders for supply High Sea Sales basis (HSS) and Inland Handling Transportation (IHT) of 1.11 MMT of imported coal of GCV (ARB): 4400 to 4800 Kcal/kg for Bhusawal TPS (U 4 & 5). The quantity received against import coal contracts was about 0.3875 MMT (up to Aug - 2016). Member (Planning), CEA, MoP vide letter dated 26.09.2017, conveyed that the domestic coal availability in the country has improved, hence import targets are not being given by CEA since 2016-17.

C) Gas Supply for Gas based Plants :-

MAHAGENCO's GTPS Uran power plant has an installed capacity of 672 MW. Mahagenco has signed long term Gas Sale Agreement (GSA) with M/s GAIL on 31.12.2015 for sale, transportation and delivery of natural gas for DCQ (Daily Contracted Quantity) up to 3.5 MMSCMD at Govt. approved price. Further, MAHAGENCO had arrangement with M/s.

RIL (& others) for supply 1.2 MMSCMD of KG-D6 natural gas for GTPS, Uran at Govt. approved price. However, there is full curtailment of KG-D6 natural gas (RIL gas) supplies from March-2013.

The details of the average gas receipt for GTPS, Uran for last 3 years is as tabulated below :

FY	Average APM gas receipt (MMSCMD)	Average Non-APM gas receipt (MMSCMD)	Average Total gas receipt (MMSCMD)
2014-15	1.55	0.73	2.28
2015-16	1.53	0.44	1.97
2016-17	1.80	0.40	2.20

Ministry of Petroleum and Natural Gas, Govt. of India has revised domestic natural gas price as below:

3.06 USD/MMBTU - on GCV basis (For the period 1st April 2016 to 30th Sept.2016)

2.50 USD/MMBTU - on GCV basis (For the period 1st Oct. 2016 to 31st March, 2017).

Further, considering lower domestic gas availability, Mahagenco explored the possibility of sourcing gas from alternative source and accordingly entered into a Spot Gas Sale Agreement (SGSA) dated 18.01.2017 with M/s GAIL for purchase of Spot gas (Natural Gas/ Re-gasified Liquefied Natural Gas - RLNG) for GTPS, Uran. This SGSA will enable Mahagenco to procure Spot gas (RLNG) in case of shortfall in domestic gas supply to optimize generation after ascertaining financial viability.

Thus, unless there is any improvement in gas supplies, the shortfall of gas is expected to be about 1.2 MMSCMD.

C) Washed Coal - JV with M/s WCL :

The board of directors of Mahagenco has accorded in principle approval for formation of Joint Venture Company with M/s WCL command area. Further activities for finalization of MOU with M/s WCL is in process.

**D) Rationalization of Coal cost by coal shifting :
Coal Shifting :**

As per approval of MoC / CIL for shifting of 5.041MMT MCL Coal linkages with WCL, Mahagenco has signed amendments to the FSA with WCL on dtd.14.03.2017 for shifting of equivalent quantity of Chandrapur (1.525MMT), Bhusawal (1.975 MMT) and Paras (1.028 MMT) TPSs. The coal swapping will reduce the transportation cost.

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 2016-17, 11 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. Workshops 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.

DIRECTORS

Shri Mukesh Khullar former Principal Secretary (E), GoM ceased to be Director of the Company w.e.f. 07.05.2016. Shri Vijay Singh ceased to be Director (Op) and Shri C. S. Thotwe was appointed as Director (Op) w.e.f 19.09.2016. Shri V. M. Jaideo was appointed as Director (P) w.e.f 19.09.2016. Shri Arvind Singh Pr. Secretary (E), GoM was appointed as Director of the Company w.e.f.22.02.2017. Smt. Irawati Dani ceased to be director of the company w.e.f. 31.05.2017

AUDIT COMMITTEE

The audit committee of Mahagenco consisted Shri Vishwas Pathak, Chairman, Shri C.S.Thotwe Member and Smt. Irawati Dani as Member. Total 7 Meetings of the audit committee were held during the year FY 2016-17

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. M Jaideo, 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 31.03.17
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 Cost Accountants as Cost Auditors for the year ending 31.03.2017 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 2016-17.

SECRETARIAL AUDITORS

The Board has appointed M/s **A.Y.Sathe & Co , Companies Secretaries** C/202 Kohinoor Apartments 2nd Floor NC Kelkar Road Near Kabutar Khana Dadar W Mumbai 400028 as Secretarial Auditor of the Company for the Financial Year 2016-17. The Secretarial Audit Report is enclosed in **Annexure-V**.

REPLY TO OBSERVATIONS OF SECRETARIAL AUDIT REPORT.

The reply of observations in secretarial audit report as under :

As per provisions of 75 & 77 of Articles of Association of the Company Directors on the Board are appointed by MSEBHCL. A reference has been made to MSEBHCL for appointment of Independent Director.

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

Date : December 08th, 2017
Place : Mumbai

(Bipin Shrimali)
Chairman & Managing Director

ANNEXURE - I TO THE DIRECTOR'S REPORT**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2017

[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 :-

Sr. 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	100	2(87)
2	Mahaguj Collieries Ltd.	U10102MH2006SGC165327	Subsidiary	60	2(87)
3	Dhopave Coastal Power Co. Ltd.	U40108MH2007SGC168836	Subsidiary	100	2(87)
4	Mahagenco Ash Management Services 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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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	0	0	0	0	0	0	0	
d) Bodies Corp.	0	24098356788	24098356788	100	0	24854336788	24854336788	100	

e) Banks/FI	0	0	0	0	0	0	0	0	
f) Any Other.....	0	0	0	0	0	0	0	0	
Sub-total (A) (1) :-	0	24098356788	24098356788	100	0	24854336788	24854336788	100	3.13
(2) Foreign									
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	
Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	0	24098356788	24098356788	100	0	24854336788	24854336788	100	3.13
B. Public Shareholding									
1. Institutions									NA
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) FIs	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	
Sub-total (B) (1) :-	0	0	0	0	0	0	0	0	
2. Non-Institutions									
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									
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	
Sub-total (B) (2) :-	0	0	0	0	0	0	0	0	
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	
Grand Total (A + B + C)	0	24098356788	24098356788	100	0	24854336788	24854336788	100	3.13

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			0% 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.)	24098356788	100	0	24854336788	100	0	3.13
	Total	24098356788	100	0	24854336788	100	0	3.13

(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	24098356788	100		
Allotment of shares (26.10.2016)	MSEBHCL	755980000	3.13	24854336788	3.13
At the End of the year	MSEBHCL	24854336788	100	24854336788	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.	24098356788	100		
Allotment of shares (26.10.2016)	MSEBHCL	755980000	3.13	24854336788	3.13
At the End of the year (or on the date of separation, if separated during the year)	MSEB Holding Co. Ltd.	24854336788	100	24854336788	100

(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
For Each of the Directors and KMP					
At the beginning of the year	Shri Bipin Shrimali	10	0.00000039	10	0.00000039
	Shri Mukesh Khullar	10	0.00000039	10	0.00000039
	Shri J. K. Srinivasan	10	0.00000039	10	0.00000039
	Shri Vijay Singh	10	0.00000039	10	0.00000039
	Shri C. S. Thotwe (As Nominees of MSEBHCL)	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 Bipin Shrimali Shri J. K. Srinivasan Shri V. M. Jaideo Shri C. S. Thotwe (As Nominees of MSEBHCL)	20 10 10 10	0.00000078 0.00000039 0.00000039 0.00000039	20 10 10 10	0.00000078 0.00000039 0.00000039 0.00000039

V. INDEBTEDNESS

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

(₹ Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	29345.45	5844.59	0.00	35190.04
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	332.71	5.59	0.00	338.30
Total (i+ii+iii)	29678.16	5850.18	0.00	35528.34
Change in Indebtedness during the financial year				
• Addition	6139.32	769.52	0.00	6908.84
• Reduction	6517.78	240.73	0.00	6758.51
Net Change	(378.46)	528.79	0.00	150.33
Indebtedness at the end of the financial year				
i) Principal Amount	28966.99	6373.38	0.00	35340.37
ii) Interest due but not paid	0.0046	0.00	0.00	0.0046
iii) Interest accrued but not due	241.83	4.03	0.00	245.89
Total (i+ii+iii)	29208.85	6377.41	0.00	35586.26

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)	J. K. Srinivasan (Director Finance)	C. S. Thotwe (Director Operati- ons)	Shyamsu- nder Wardhane (Director Mining)	V. M. Jaideo (Director Projects)	Vijay Singh (Director Opera- tions)	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2475899	2851529	2825604	680934	2496735	1372827	12730528

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	418484	415881	105367	367043	NIL	1306775
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (A)	2475899	3270013	3241485	786301	2863778	1372827	14037303
	Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA

B. Remuneration to other directors :

Particulars of Remuneration	Name of Director			Total Amount
3. Independent Directors	Shri Vishwas Pathak	Smt. Irawati Dani	NA	NA
• Fee for attending board / committee meetings	85000	95000		180000
• Commission	NIL	NIL		NIL
• Others, please specify	NIL	NIL		NIL
Total (1)	85000	95000		180000
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)	85000	95000	NIL	180000
Total Managerial Remuneration	85000	95000	NIL	18000
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	1610366	1610366
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	236062	236062
	(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
	Total (A)	1846428	1846428

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

C. 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 : December 08th, 2017

Place : Mumbai

ANNEXURE - II TO THE DIRECTOR'S REPORT

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 2017:
Mr. Bipin Shrimali, CMD
Mr. C. S. Thotwe, Director (Op.)
Mr V.M. Jaideo, Director (Proj)
Mr. J. K. Srinivasan, Director (F)
Mrs. Irawati Dani, Independent Director
3. Average net profit of the company for last three financial years: ₹ (8247) Crores.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): NA as there being no profit.
5. Details of CSR spent during the financial year :
(a) Total amount to be spent for the financial year: NA
(b) Amount unspent, if any: NA;
(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 & 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	Cleaning the area around newly constructed service road / cleaning of drain	Health Care	Koradi 240	3.65	Direct Expenditure: 3.65	3.65	Direct
2	Repairing of shed roofs of new high school/ construction of new school building/Painting of school building / Providing & laying internal & external painting to school	Education	Parli 135	3.01	Direct Expenditure: 3.01	3.01	Direct
		Education	Koradi 240	12.68	Direct Expenditure : 12.68	12.68	Direct
		Education	Chandrapur 250	1.74	Direct Expenditure : 1.74	1.74	Direct

3	Providing ramp for handicapped student with hand railing at Vidya Mandir Koradi & Pragti- kvidyalayakoradi and construction of Computer Lab. For Pragtik Vidyalyaya Koradi	Education	Koradi 240	15.57	Direct Expenditure : 15.57	15.57	Direct
4	Providing PVC water tanks, required G.I. water connections and other misc. civil works required at new high school	Safe drinking water	Parli 135	4.73	Direct Expenditure : 4.73	4.73	Direct
5	Construction & Repairs of Road & RCC drain	Infrastru- ctural Development	Chandrapur 110	29.07	Direct Expenditure : 10.23	29.07	Direct
		Infrastru- ctural Development	Khaperkheda 136	28.28	Direct Expenditure : 1.53	28.28	Direct
		Infrastru- ctural Development	Paras 130	14.49	Direct Expenditure : 14.49	14.49	Direct
		Infrastru- ctural Development	Koradi 240	32.24	Direct Expenditure : 77.85	32.24	Direct
		Infrastru- ctural Development	Chandrapur 250	44.21	Direct Expenditure : 84.62	44.21	Direct
6	Construction of wall / RCC wall	Infrastru- ctural Development	Koradi 240	16.17	Direct Expenditure : 16.17	16.17	Direct
		Infrastru- ctural Development	Chandrapur 110	1.47	Direct Expenditure : 1.47	1.47	Direct
		Infrastru- ctural Development	Parli 135	1.41	Direct Expenditure : 1.41	1.41	Direct
7	Renovation of drinking water line with tank & installation of fire fightingexin- guision & Water supply scheme/ Desilting of supply well and intake well at water supply scheme/, Constr- uction of tubwell/	Safe drinking water	Koradi 240	72.62	Direct Expenditure : 72.62	72.62	Direct
		Safe drinking water	Chandrapur 250	1.55	Direct Expenditure : 1.55	1.55	Direct

	bore well with hand pumps/maintenance of water treatment plant						
8	construction of septic tank and toilet block for girls and boys of new high school	Health care	Parli 135	3.31	Direct Expenditure: 3.31	3.31	Direct
		Health care	Khaperkheda 136	2.78	Direct Expenditure: 2.78	2.78	Direct
		Health care	Koradi 240	12.31	Direct Expenditure : 12.31	12.31	Direct
9	Removal of sludge from erai river	Livelihood enhancement projects	Chandrapur 110	100	Direct Expenditure : 100	100	Direct
10	Payment of 4th installment for construction of cement concrete road in Km 3/750 to 5/00 (actual 4/05 to 5/00) on Chandrapur-Durgapur-Tadoba Rd to PWD	Infrastructural Development	Chandrapur 234	200	Direct Expenditure : 200	200	Direct
11	Supply, Installation, Testing & Commissioning of Two nos. 20 Mte. Height raising & lowering type High Mast tower lighting system with flood light luminaries at Rashtrawadi Nagar Chandrapur	Infrastructural Development	Chandrapur 234	10.64	Direct Expenditure : 10.64	10.64	Direct
12	Providing & Fixing cement concrete benches	Livelihood enhancement projects	Khaperkheda 136	3.65	Direct Expenditure : 3.65	3.65	Direct
13	CSR work at hospital in Koradi	Healthcare	Koradi 120	124	Direct Expenditure : 124	124	Direct
14	Work contract for renovation & recasting of Dashkriya standing platform of Samangaon village	Livelihood enhancement projects	Nashik 125	28.52	Direct Expenditure : 28.52	28.52	Direct

15	Renovation of primary health center at durgapur	Health Care	Chandrapur 110	13.37	Direct Expenditure : 13.37	13.37	Direct
16	Construction of social hall at village vichod A (B)	Livelihood enhancement projects	Chandrapur 110	12.16	Direct Expenditure : 12.16	12.16	Direct
17	Providing & laying bituminous macadam surface at Urjanagar (Neri) Ward No.6 from Lengure's house to baware's house	Livelihood enhancement projects	Chandrapur 110	11.50	Direct Expenditure : 11.50	11.50	Direct
18	Providing & laying paving block to hanuman mandir area at Urjanagar Ward No.1 (Samata Nagar)	Livelihood enhancement projects	Chandrapur 110	5.90	Direct Expenditure : 5.90	5.90	Direct
19	Supply, installation of fully automatic motor starter & rewinding of 30 HP submersible pump and misc. Electrical work	Livelihood enhancement projects	Koradi 240	3.75	Direct Expenditure : 3.75	3.75	Direct
20	Jalyukt Yogna Shivar	Safe drinking water	Koradi 233	106	Direct Expenditure : 106	106	Direct
21	Construction of bridge cum bandhara on spill channel of pond No. 3 at Koradi	Livelihood enhancement projects	Koradi 240	5.68	Direct Expenditure : 5.68	5.68	Direct
22	Work of Plinth protection	Infrastructural Development	Koradi 240	1.61	Direct Expenditure : 1.61	1.61	Direct
23	Providing & laying hot mix laid bituminous treatment to WBM road	Infrastructural Development	Koradi 240	2.31	Direct Expenditure : 2.31	2.31	Direct
24	Work of impact assessment of implementation of CSR action plan for adjoining villages of 3X660MW coal based	Livelihood enhancement projects	Koradi 240	5.74	Direct Expenditure : 5.74	5.74	Direct

	Thermal Power Plant, Koradi						
25	Soil investigation/ exploration work by taking bore hole at adjacent to pond No. 3 near Nanda village at Koradi	Livelihood enhancement projects	Koradi 240	3.42	Direct Expenditure : 3.42	3.42	Direct
26	Providing & fixing of paving near Shopping complex, Koradi	Infrastructural Development	Koradi 240	2.11	Direct Expenditure : 2.11	2.11	Direct
27	Construction of Smashanbhumi at Mauza Kachrala under CSR	Infrastructural Development	Chandrapur 250	3.52	Direct Expenditure : 3.52	3.52	Direct
28	Providing Tree Palntation in Suradevi Village	Environmental sustainability	Koradi 240	0.4	Direct Expenditure : 0.4	0.4	Direct
	Total			945.57	945.57	945.57	

*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: As given in Board Report.
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

Date : December 08th, 2017
Place : Mumbai

ANNEXURE – III 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 2016-17

- 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)
- 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, Nirafon 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/nm³ 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	64,84,54,674
	Stores spares and components	13,63,91,796
2.	Foreign Exchange earned	Nil

ANNEXURE – IV

TO THE DIRECTOR'S REPORT

Replies to Statutory Auditors Observations

Sr. No.	Major Observations	Company Replies
1.	<i>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 ₹ 1,506.67 crores under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to ₹ 5,247.33 crores outstanding as on March 31, 2017 including such accrued income of earlier years. Considering the non-acceptance of billing by MSEDCL, there is uncertainty in the recoverability of the said dues from Maharashtra State Electricity Distribution Company Limited (MSEDCL).</i>	MSPGCL has raised surcharge bills to MSEDCL as per the agreed terms of Power Purchase Agreement and are binding on MSEDCL. These are contractual receivables. Company has carried out reconciliation with MSEDCL and the same has been shared with the Auditors in the reporting year.
2.	<i>The balances of loans and advances, deposits and trade payables are subject to confirmation from respective parties and /or reconciliation as the case may be. Pending such confirmation and reconciliation, the consequential adjustments are not 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, if any, for a specific account 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 loss for the year of the Company.</i>	<p>Company has adopted SAP environment wherein the vendor-wise, customer-wise, employee-wise, balances payable and receivable etc. are available. Due to its large scale of operations, company enters into huge volume of transactions with numerous vendors. Reconciliation with the vendors is undertaken by the company as an on-going process. However, due to various reasons not attributable to company alone viz., delay in sending invoice by vendors, no response against the balance confirmation requests, wrong details given by vendor, claims / counter claims etc, reconciliation or adjustment takes more time in case of some vendors.</p> <p>This year company has carried out identification of old unidentified vendor balances, provisioning of coal advances and impairment of advances to subsidiaries in addition to the regular reconciliation/adjustment process.</p> <p>In view of the observation, the company will further expedite the process of reconciliation/adjustment in the ensuing year.</p>
	<i>Free hold land relating to 4 accounting units and lease hold land of 1 accounting unit are still held in the name of erstwhile "Maharashtra State Electricity Board" and free hold land relating to 2 accounting units, held in the name of "Mahanirmithi"</i>	In the ensuing year, company would carry out exercise of transfer of all title deeds in respect of immovable properties, in the name of company.
	According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2017.	

<p>(1) The Company's internal financial control over timely capitalization of fixed assets and adjustment of liquidated damages in the fixed assets accounting are not operating effectively. These material weakness could potentially result in material misstatement in Company's fixed assets, CWIP, depreciation and expenses.</p> <p>(2) The Company's internal financial control over procurement and accounting of material, maintenance of subsidiary records pertaining to employees and stores, timely adjustments of advances to suppliers and provision for liabilities including interest payments to MSME vendors are not operating effectively. Controls over calculation and accounting of the late delivery and short supply penalties to supplier of coal are inadequate. These material weaknesses may result in incorrect valuation of liabilities and assets of the Company.</p> <p>(3) The Company's internal financial control over maintenance of Inventory records, reconciliation with financial ledger and valuation of Inventory are not operating effectively. These material weakness could potentially result in misstatement of inventory value.</p>	<p>The liquidated damages get finalized only upon establishing that the delay in work execution has been attributable to contractor and quantum of such delay. In case of major projects such project closure activities entail some time. Hence while the assets are recognized in the books of accounts of the company upon its commissioning, however the effect of liquidated damage is accounted for only upon its finalization.</p> <p>Company has claims for grade slippage, short delivery etc. and counter claims of deemed delivery / performance incentive and interest on claims etc. with coal suppliers which have not been fully settled. Hence company recognizes disputed payables to coal companies as contingent liability. As regards control over timely booking of data / adjusting of advances and liabilities, company would expedite the same in the ensuing year. Company has provided for interest on the delayed payment to MSME vendors & which has been disclosed in the notes to accounts. The company has maintained the subsidiary records of employee in SAP, which are monitored centrally.</p> <p>Company operates in SAP environment where the system has period constraints. While the period for material data entry is limited, as regards period for accounting data entry the same is available till closure of accounts. In the event the material data couldn't get posted timely, the accounts need to be closed by posting accounting entry the effect of which would appear in Account code instead of effecting the respective material being period constraint. However, in the ensuing year, company would streamline the process.</p>
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ANNEXURE – V TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,

The Members,

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

Prakashgad, Plot No. G-9,

Anant Kanekar Marg,

Bandra (East),

Mumbai - 400051

I, Ajit Y. Sathe, Proprietor of A. Y. Sathe & Co., Practicing Company Secretary, Mumbai, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (CIN - U40100MH2005SGC153648)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit 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 the Company for the financial year ended on 31st March, 2017 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- (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 the Regulations and by - laws framed thereunder; (not applicable as Company's shares are in physical form);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (not applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] which is now The Securities and Exchange Board of India (Share Based Employee

Benefits) Regulations, 2014 & The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015;

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) In respect of other laws specifically applicable to the Company, the below-mentioned other law is specifically applicable to the Company:

Electricity Act, 2003

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (applicable w.e.f. 1st July, 2015).
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited **(not applicable to the Company during Audit Period, being Public Unlisted Company).**

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

Under Companies Act, 2013 :

- The Company has only one Independent Director, instead of minimum requirement of two Independent Directors as per the Act and consequently, the composition of Audit Committee & Nomination and Remuneration Committee is not proper and the vacancy in the office of Independent Director has not been filled up till date;

I have relied on information / records produced by the Company during the course of my audit and the reporting is limited to that extent.

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 *subject to above-mentioned observations*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, are captured 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.

I further report that the Company is a wholly owned subsidiary of MSEB Holding Company Limited, which is a wholly owned Government of Maharashtra undertaking, and it had issued and allotted on rights basis Equity Shares of face value of ₹ 10/- each, at par as per details mentioned below :

Date of Allotment	No. of Shares	Consideration	Govt. GR Number
26/10/2016	7559840000	Cash	Sankirn 2016/prk 89/ energy -3

I further report that during the audit period the Company has passed Special Resolution under Section 180(1) (a) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on 22nd February, 2017 for mortgage, lease, hypothecation of properties of Company.

I further report that, during the audit period there were no instances of:

- (i) Public /Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations

For A. Y. Sathe & Co.
Company Secretaries

CS Ajit Sathe
Proprietor
FCS No.2899 COP No. 738

Place : Mumbai

Date : September 21st, 2017

This report is to be read with our letter of even date, which is annexed as Annexure I and forms an integral part of this report.

ANNEXURE – I

To,
The Members,
MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED
Prakashgad, Plot No. G-9,
Anant Kanekar Marg,
Bandra (East),
Mumbai - 400051

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A. Y. Sathe & Co.
Company Secretaries

CS Ajit Sathe
Proprietor
FCS No.2899 COP No. 738

Place : Mumbai

Date : September 21st, 2017

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

The preparation of Standalone Financial Statements of **Maharashtra State Power Generation Company Limited, Mumbai** for the year ended **31 March 2017** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on the independent audit in accordance with the Standards of Auditing prescribed under section 143(10) of the Act. **This is Stated to have been done by them vide audit Report dated 25 September 2017.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the Standalone Financial Statements of **Maharashtra State Power Generation Company Limited, Mumbai** for the year ended **31 March 2017**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited Primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report.

I. COMMENTS ON PROFITABILITY

REVENUE

1. Revenue from operations

Gross sale of power (Note no 22) : ₹ 16623.77 crore

The above included revenue of ₹ 238.04 crore on account of Return on Equity (RoE) @ 15.50 *per cent* in respect of sale of power to Maharashtra State Electricity Distribution Company Limited (MSEDCL) from newly commissioned units at Koradi, Chandrapur and Parli. The Company suo motu decided (January 2017) to forego RoE to the extent of 8 *per cent* for the year 2016-17 for which tariff petition (July 2017) was also submitted to the MERC. However, the Company did not recognise the loss allowance for *expected credit loss* towards the same to the extent ₹ 122.86 Crore Which was in violation of the Indian Accounting Standard (Ind AS) 109 (financial instruments).

Non provision thus resulted in overstatement of "Revenue from operations" and "Current Assets (Trade Receivables)" with consequent understatement of "Loss" by ₹ 122.86 Crore.

II. COMMENTS ON FINANCIAL POSITION

ASSETS

Non Current Assets

2. Net Capital Work in Progress : ₹ 1177.14 crore

The above includes expenditure of ₹ 10.91 crore incurred by the Company on construction of a Sewage Treatment plant at Bhandewadi, Nagpur. As the Company had claimed¹ the amount from Nagpur Municipal Corporation (NMC) in accordance with the terms and conditions of an agreement executed with them and ownership of the assets vested with NMC, the same should have been accounted for as "Claims Receivable". Incorrect accountal thus resulted in overstatement of "Capital Work-in-Progress" by ₹ 10.91 Crores and understatement of "Current Assets" by ₹ 10.12 Crore² Besides understatement of "Expenses" and "loss" by ₹ 0.79 Crore³ Considering allowance for *expected credit loss* (time value of money) on outstanding claim as per Ind AS 109.

¹ Demand raised by the Company since October 2015 on various occasions.

² Net of allowance for expected credit loss of ₹ 0.79 crore

³ On ₹ 10.91 crore considering discounting factor of 7.27 *per cent* for 2016-17

3. Other Non-current Assets (Note No. 5)

Advances to Irrigation Department

Government of Maharashtra : ₹ 138.21 crore

The above pertains to contribution paid (June 2013 to January 2015) by the Company to Godawari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad for constructing Majalgaon Lift Scheme for supply of water to Parli Thermal Power Station. The ownership of the assets vested with GoM and the Company did not have control over the assets though it was expected to derive economic benefits from the same. As per the accounting policy of the Company (Note no 6 (iii)), revenue expenditure incurred for contribution towards cost of assets not owned by the Company are charged off to Statement of Profit and Loss, which was also in accordance with Expert Advisory Opinion (EAC) of the ICAI. Hence, entire contribution amount should have been charged off as revenue expenses in accordance with accounting policy/ EAC of ICAI.

Incorrect accountal thus resulted in overstatement of "Non Current Assets", understatement of "Expenses (Other Expenses - Impairment of Financial Instrument)" and "Loss" by ₹ 110.13 crore⁴.

4. Deferred Lease Rent: ₹ 637.65 crore

The GoM had leased various hydro power stations to the company for their Operation and Maintenance. As per Indian Accounting Standard (Ind AS) 17, lease payment under an operating lease shall be recognized as an expense on a straight line basis over the lease term **unless another systematic basis is more representative of the time pattern of users benefit**. The MERC has determined/approved (December 2012/April 2012) annual lease rent payable by the Company to GoM which was considered for determination of annual tariff and hence was representative of the time pattern of the users (Company's) benefit in accordance with Ind AS 17. The Company however, had recognized expenses on straight line basis (₹ 452.10 Crore per year) for the years 2014-15 to 2016-17. As against actual lease rent payment of ₹ 1993.89 crore, the Company accounted for expense of ₹ 1356.24 crore while balance expenditure of ₹ 637.65 crore (₹ 73.92 Crore for the current year) was treated as Deferred Lease Rent.

This resulted in overstatement of "Non Current Assets (Deferred Lease Rent) by ₹ 637.65 crore", overstatement of "Other Equity-Reserve and Surplus (Retained earnings)" ₹ 563.73 crore⁵ and understatement of "Expenses (Hydro Lease Rent)" and Loss for the year by ₹ 73.92 crore.

5. Current Assets

Financial Assets -

Trade Receivables (Note no 7)

Unsecured considered good : ₹ 7267.60 crore

The above includes excess billed amount of ₹ 139.46 crore to MSEDCL which was subsequently withdrawn (August 2017) by the Company. The same was however incorrectly credited under "Other Current Financial Assets (Unbilled Receivables)" as against Trade Receivables. Misclassification thus resulted in overstatement of "Trade Receivables" and understatement of "Other Current Financial Assets (Unbilled Receivables)" by ₹ 139.46 crore.

6. Current Liabilities

Other Current Liabilities

Statutory dues : ₹ 11.52 crore

- (a) The above does not include an amount of ₹ 154.54 crore payable to GoM towards labour cess on cost of construction of new projects at Koradi, Chandrapur and Parli, which was outstanding as on 31 March 2017. This resulted in understatement of "Current Liabilities (Statutory dues)", "Expenses" and "Loss" by ₹ 154.54 crore.
- (b) The fact regarding non payment of labour cess was not highlighted by the Statutory Auditors in the disclosures made in Annexure II to the Independent Auditors Report. The Auditors report was, thus, factually incorrect/deficient to that extent.

⁴ ₹ 138.21 crore less ₹ 28.08 crore being "Allowance made for expected credit loss"

⁵ ₹ 637.65 crore less ₹ 73.92 crore

7. Provisions (Note no 21)**Provision for Leave encashment : ₹ 142.73 crore**

The above has been understated by ₹ 0.19 crore due to non provision for leave encashment amount payable to two employees retired during the year at BTPS. This resulted in understatement of "Current Liabilities (Provisions)" and "Loss" by ₹ 0.19 crore.

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

**(P. Madhavi)
ACCOUNTANT GENERAL (Audit) - III, Maharashtra**

Place : Mumbai

Date : December 04th 2017

Replies to Final Comments of CAG

Sr. No.	Final Government Audit Comments	Management Replies	Statutory Auditors Comments
1.	<p>COMMENTS ON PROFITABILITY</p> <p>REVENUE</p> <p>Revenue from operations</p> <p>Gross sale of power (Note no 22) : ₹ 16623.77 crore</p> <p>The above included revenue of ₹ 238.04 crore on account of Return on Equity (RoE) @ 15.50 <i>per cent</i> in respect of sale of power to Maharashtra State Electricity Distribution Company Limited (MSEDCL) from newly commissioned units at Koradi, Chandrapur and Parli. The Company suo motu decided (January 2017) to forego RoE to the extent of 8 <i>per cent</i> for the year 2016-17 for which tariff petition (July 2017) was also submitted to the MERC. However, the Company did not recognise the loss allowance for <i>expected credit loss</i> towards the same to the extent ₹ 122.86 Crs. Which was in violation of the Indian Accounting Standard (Ind AS) 109 (financial instruments).</p> <p>Non provision thus resulted in overstatement of "Revenue from operations" and "Current Assets (Trade Receivables)" with consequent understatement of "Loss" by ₹ 122.86 Crores.</p>	<p>Company vide petition dated 21-03-2016, had foregone 50% Return On Equity (ROE) for FY 2016-17 towards the equity investment in existing power stations and vide MERC tariff order dated 30-08-2016, MERC has approved the request of the company. However, the said order is not applicable in respect of new stations. For the new stations, MERC has issued a provisional tariff which includes Return On Equity at the rate prescribed in Tariff Regulations (i.e 15.50%). As stipulated in Accounting Policy no. 15 (iv), the Company accounts for revenue from sale of power based on tariff rates approved by MERC. Hence pending the final tariff, company has properly accounted for revenue for newly commissioned Units on provisional tariff rates. In the event, MERC approves final tariff for new Units with reduced ROE, the same can only accounted for after receipt of such tariff order.</p>	<p>We concur with the reply of Management.</p>
2.	<p>ASSETS</p> <p>Non Current Assets</p> <p>Net Capital Work in Progress : ₹ 1177.14 crore</p> <p>The above includes expenditure of ₹ 10.91 crore incurred by the Company on construction of a sewage treatment plant at Bhandewadi, Nagpur. As the Company had claimed the amount from Nagpur Municipal Corporation (NMC) in accordance with the terms and conditions of an agreement executed with them and ownership of the assets vested with NMC, the same should have</p>	<p>Company has constructed certain modules of sewage treatment plant at Bhandewadi, Nagpur on behalf of Nagpur Municipal Corporation (NMC) which are funded by Government Grant. Out of approved grant of ₹ 90 Crs., Company has received ₹ 79 Crs. From NMC and has lodged claim for balance amount from Nagpur Municipal Corporation (NMC) through various correspondence. However, during the meeting with NMC, it has informed that such amount can not be released at present.</p>	<p>We concur with the reply of Management.</p>

	<p>been accounted for as “Claims Receivable”. Incorrect accountal thus resulted in overstatement of “ Capital Work-in-Progress” by ₹ 10.91 Crores and understatement of “ Current Assets” by ₹ 10.12 Crs. Besides understatement of “Expenses” and “losses” by ₹ 0.79 Crs. Considering allowance for <i>expected credit loss</i> (time value of money) on outstanding claim as per Ind AS 109.</p>	<p>In terms of provisions of Ind AS 20, Government Gr ant can be recognised only when there is assurance that grant can be received. In such a situation Company is required to recognise grant on receipt basis. Consequently, company has not recognised receivables from NMC which is a correct accounting treatment.</p> <p>Since the Company has not recognised any receivables as on 31-03-2017, provisioning for allowance for expected credit loss (time value of money) on outstanding claim as per Ind AS 109 will not arise.</p>	
3.	<p>Other Non-current Assets (Note No. 5) Advances to Irrigation Department Government of Maharashtra : ₹ 138.21 crore</p> <p>The above pertains to contribution paid (June 2013 to January 2015) by the Company to Godawari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad for constructing Majalgaon Lift Scheme for supply of water to Parli Thermal Power Station. The ownership of the assets vested with GoM and the Company did not have control over the assets though it was expected to derive economic benefits from the same. As per the accounting policy of the Company (Note no 6 (iii)), revenue expenditure incurred for contribution towards cost of assets not owned by the Company are charged off to Statement of Profit and Loss, which was also in accordance with Expert Advisory Opinion (EAC) of the ICAI. Hence, entire contribution amount should have been charged off as revenue expenses in accordance with accounting policy/EAC of ICAI.</p> <p>Incorrect accountal thus resulted in overstatement of “Non Current Assets”, understatement of “Expenses (Other Expenses - Impairment of Financial Instrument)” and “Loss” by ₹ 110.13 crore.</p>	<p>EAC opinion of ICAI stipulates writing-off the capital expenditure not-belonging to the company. In present case the Majalgaon Lift Irrigation Scheme was to be implemented by Govt. Of Maharashtra through GMIDC. For this project the company has provided advance of ₹ 138 Crores. The said scheme has been discontinued by the Govt. Of Maharashtra. The company would be seeking refund from GoM. Pending the recovery of the said advance, the expected credit loss for time value of money has been provided in the books of accounts. Since there is no capital asset created, the write-off such assets would not arise.</p>	<p>We concur with the reply of Management.</p>

4.	<p>Deferred Lease Rent : ₹ 637.65 crore</p> <p>The GoM had leased various hydro power stations to the company for their operation and maintenance. As per Indian Accounting Standard (Ind AS) 17, lease payment under an operating lease shall be recognized as an expense on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of users benefit. The MERC has determined/approved (December 2012/April 2012) annual lease rent payable by the Company to GoM which was considered for determination of annual tariff and hence was representative of the time pattern of the users (company's) benefit in accordance with Ind AS 17. The Company however, had recognised expenses on straight line basis (₹ 452.10 Crore per year) for the years 2014-15 to 2016-17. As against actual lease rent payment of ₹ 1993.89 crore, the Company accounted for expense of ₹ 1356.24 crore while balance expenditure of ₹ 637.65 crore (₹ 73.92 crore for the current year) was treated as Deferred Lease Rent.</p> <p>This resulted in overstatement of "Non Current Assets (Deferred Lease Rent) by ₹ 637.65 crore", overstatement of "Other Equity-Reserve and Surplus (Retained earnings)" ₹ 563.73 crore, understatement of "Expenses (Hydro Lease Rent)" and Loss for the year by ₹ 73.92 crore.</p>	<p>Para 33 of Ind AS 17, which deals with Leases, also states that, <i>"Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met."</i></p> <p>Whereas it is observed that the approved lease rent is neither straight lined nor the rent pattern depicts any pattern of the inflationary trend. In fact, the rents charged are not only reducing year after year in many cases but also in few cases the rent is even negative. Hence the Company has complied with the requirements of para 33 of Ind AS 17, "Leases" and correctly accounted the lease rent on straight-line basis. Further Ind-AS Transition Facilitation Group constituted by Institute of Chartered Accountants of India in its issue no.7 clearly states <i>"If the payments to the lessor vary because of factors other than general inflation, then lease payments shall be straight-lined"</i></p>	We concur with the reply of Management.
5.	<p>Current Assets</p> <p>Financial Assets - Trade Receivable (Note no 7)</p> <p>Unsecured considered good : ₹ 7267.60 crore</p> <p>The above includes excess billed amount of ₹ 139.46 crore to MSEDCL which was subsequently withdrawn (August 2017) by the Company. The same was however incorrectly credited under "Other Current Financial Assets (Unbilled Receivables)" as against Trade Receivables. Misclassification thus</p>	Any impact arising on receivables, due to issuance of revenue bills pertaining to current year but issued subsequent to year end (i.e. after 31st March), is recognised as Unbilled Receivables as on 31st March and gets adjusted to respective receivables in the subsequent year. Consequently, withdrawal of bill which took place after 31st March 2017 (but pertaining to FY 2016-17) has been properly reduced from revenue and has been presented as reduction in Unbilled receivables which gets adjusted in Receivables in the subsequent year in	We concur with the reply of Management.

	<p>resulted in overstatement of "Trade Receivables" and understatement of "Other Current Financial Assets (Unbilled Receivables)" by ₹ 139.46 crore.</p>	<p>which such bill has been issued (i.e. FY 2017-18). Hence, there is no misclassification between Trade Receivables and Unbilled Revenue.</p>	<p>We concur with the reply of Management.</p>
6.	<p>Current Liabilities Other Current Liabilities Statutory dues : ₹ 11.52 crore</p> <p>(a) The above does not include an amount of ₹ 154.54 crore payable to GoM towards labour cess on cost of construction of new projects at Koradi, Chandrapur and Parli, which was outstanding as on 31 March 2017. This resulted in understatement of "Current Liabilities (Statutory dues)", "Expenses" and "Loss" by ₹ 154.54 crore.</p> <p>(b) The fact regarding non payment of labour cess was not highlighted by the Statutory Auditors in the disclosures made at Sr no. vii of Annexure II to the Independent Auditors Report. The Auditors report was thus factually incorrect/deficient to that extent.</p>	<p>Company is in the business of generation of electricity and the construction of expansion projects comes under the existing Factory Act, being an extended arm of energy generation business. The approval of layout plans, specifications and requisite permission from the concerned / statutory authorities to carry out such constructions are obtained as provided under Factories Act/ Rules. Therefore, such construction work does not fall within the purview of Building & Other Construction Workers Welfare Cess Act (BOCW). Consequently, provisions of labour cess as prescribed under BOCW Act, do not get applied to the company. Consequently, any provision on account of labour cess can not be made by the Company.</p>	<p>(a) We concur with the reply of Management. b) The disclosure by auditors are given when any authority creates any demand against the Company. There was no such demand order shown to us.</p>
7.	<p>Provisions (Note no 21) Provision for Leave encashment : ₹ 142.73 crore</p> <p>The above has been understated by ₹ 0.19 crore due to non provision for leave encashment amount payable to two employees retired during the year at BTPS. This resulted in understatement of "Current Liabilities (Provisions)" and "Loss" by ₹ 0.19 crore.</p>	<p>Company has made provision for leave encashment in respect of employees not only existing on pay roll as on 31-03-2017 but also the employees retired but the amount is yet to be paid. However, in case of two employees, the provision was remained to be made amounting to ₹ 0.19 Crores.</p> <p>In accordance with provision (A)(2) of the Annexure to Gazette Notification dated 16-02-2015 issued by Ministry of Corporate Affairs, the Ind AS are expected to be applied to the items of material nature.</p>	<p>We concur with the reply of Management.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHARASHTRA STATE POWER GENERATION CO. LTD

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (MSPGCL / the Company)**, which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules 2015 under Section 133 of the Act.

This responsibility also includes the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Basis for Qualified Opinion

4. 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 ₹ 1,506.67 crores under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to ₹ 5,247.33 crores outstanding as on March 31, 2017 including such accrued income of earlier years. Considering the non-acceptance of billing by MSEDCL, there is uncertainty in the recoverability of the said dues from Maharashtra State Electricity Distribution Company Limited (MSEDCL).
5. The balances of loans and advances, deposits and trade payables are subject to confirmation from respective parties and / or reconciliation as the case may be. Pending such confirmation and reconciliation, the consequential adjustments are not 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, if any, for a specific account 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 loss for the year of the Company.

Qualified Opinion

6. Subject to (i) and (ii) below, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
- (i) In view of para 4 above Basis for Qualified Opinion, had Surcharge being interest on delayed payment not been accrued, provision for allowance for expected credit loss been not made, Booking of earlier years delayed payments surcharge on account of recovery has ceased to be probable been done as an expense, the effect of the matters which could be determined / quantified, on the elements of the accompanying financial statements are tabulated as under :

(Amount in ₹ Crores)

Sr. No.	Head of Account	Group	Overstated	Understated
1	Delay payment surcharge - Other operating Revenue	Income	1506.67	-
2	Reversal of earlier years delayed payments surcharge on account of recovery has ceased to be probable	Expenses	-	3740.66
3	Trade Receivables	Non current assets	5247.33	-
4	Allowance for expected credit loss -	Expenses	696.32	-
5	Reduction from Non current - Trade receivable	Trade receivable - Non current		696.32
6	Net Impact on retained earning	Other equity	4551.01	

and ;

- ii) In view of para 5 above Basis for Qualified Opinion, the effect of which on the Loss for the year and net assets as at March 31, 2017 is unascertainable.

Emphasis of Matters:

7. We draw attention to following notes:
 - a) Note no. 29(B) regarding accounting of shortfall/excess if any, based on the provisional accounts of the Contributory Provident Fund (CPF), in the absence of the requisite details and information.
 - b) Note no. 45 regarding agreements with the government of Maharashtra in respect of various hydro power generation facilities that are yet to be executed.

Our opinion is not qualified in respect of above matters

Other Matters

8. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed a modified opinion dated September 3, 2016 and September 23, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements

9. As required under Section 143(5) of the Companies Act, 2013, we give in the “**Annexure I**”, 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 standalone Ind AS financial statements of the company.
10. As required by Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the “**Annexure II**”, statement on the matter specified in Paragraphs 3 and 4 of the Order.
11. As required by the section 143 (3) of the Act, we report that:
 - a. we have sought and, *except for the possible effect of the matter described in para 4 and 5 above relating to the basis for qualified opinion*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, *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 it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. *Subject to our observations in para 4 above*, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder;
 - e. Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June, 2015 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 adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure III**”; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements Refer Note 42 to the standalone Ind AS 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.
 - iv. Disclosures in respect of bank deposits made by the company as a part of Note no. 43 of its standalone Ind AS financial statements as to holding as well as dealing in Specified Bank Notes (SBN's) during the period from November 8, 2016 to December 30, 2016 were in accordance with books of accounts maintained by the Company. Other disclosures such as 'Opening Balances', 'Permitted Receipts & Payments' & its concomitant impact on the

closing balances could not be verified since satisfactory evidences/documentation that would support the breakup of currency notes into 'SBN' and 'Other denomination' was not available with the company.

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 U. M. Jain
Partner
ICAI M.No. 070863

CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place: Mumbai
Date: September 25th, 2017

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2017.

- 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.2016-17. In Last Year (F.Y. 2015-16), the Company has received a letter from MSEB Holding Company Ltd (its parent company) to recognize in its books certain fictitious assets/liabilities lying in the books of MSEB Holding Company that belonged to the erstwhile Maharashtra State Electricity Board. The parent company has transferred these fictitious assets / liabilities to the Company and fellow subsidiaries on a certain proportionate basis without specifying the rationale thereof. The parent company has informed the Company to write off / write back these fictitious assets / liabilities. Such balances include transfer of capital reserve amounting to ₹ 260 Crores. (Company's share ₹ 39 crores) The Company has not yet recognized these unidentified assets / liabilities (net liabilities of ₹ 86 crores) and as informed to us by the Management, has sought additional details of the same from the parent company.

- 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 or other authorities 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 298 pending legal/arbitration cases given below :

Age of Cases	No. of Cases
Less than 1 year	34
1 to 2 Years	37
2 to 3 Years	16
3 to 5 Years	37
More than 5 Years	164
Others unattended	10
Total	298

Due to unavailability of relevant information from the Company, including details of reasons of pendency for all the cases, we are not able to comment upon the effectiveness of monitoring mechanism for expenditure on all legal cases and reasons of pendency.

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

- 5) **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. The company has the system for reconciliation of quantity/quality of coal ordered and received. However, the current process needs to be strengthened. Till September first week, claim for coal grade slippage has been made on the basis of coal grade differences observed at loading end by such technical analyst and suppliers' representatives jointly vis-à-vis Grade allocated to Colliery. Post that, Company has appointed recognized coal Analyst Company i.e. Central Institute of Mining and Fuel Research (CIMFR). CIMFR do technical analysis of Coal Grade from the loading points of the coal Company. On the basis of the analysis report submitted by CIMFR, SE Coal office reconciles grade mentioned in invoice with grade mentioned in said report and raise grade slippage claims to coal companies. This process has started on different dates in different companies.

Further, as on March 31, 2017, the amount of claim against coal suppliers by MSPGCL for short supply of coal as per agreement amounted to ₹ 1035.67 Crores. However, one of the supplier, Western Coal Field Limited (WCL), has claimed an amount of ₹ 167.41 Crores from the Company for short lifting of material. Due to non-availability of proper documentary evidence, it is difficult to reach a conclusion on correctness of the claims by either party. The Company has disclosed the claim by coal supplier as contingent liability. The Company has also not accounted for the performance incentives claimed by the same coal suppliers.

- 6) **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.

- 7) **Whether there is appropriate classification of inventory with value such as Scrap, obsolete material etc.?**

Yes. Based on the audit procedures conducted by us, the Company has appropriate system of classification of inventory.

- 8) **Whether profit/loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company?**

Yes, the loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company except for the effect if any, due to the consequential adjustment upon receipt of confirmation and reconciliation, which is unknown as mention in para 4 and qualification with regard to recognition of surcharge income as mentioned in para 5 of our Audit Report.

- 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 Ummed Jain & Co
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FRN: 119250W

For M P Chitale & Co
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CA Devang Vaghani
Partner
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CA U. M. Jain
Partner
ICAI M.No. 070863

CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place: Mumbai
Date: September 25th, 2017

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2017.

- 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, the physical verification of fixed assets was carried out by the management.
 - c) *According to the information and explanations given to us and on the basis of our examination of the records, the Company is in the process to obtain title deeds for all immovable properties to determine whether they are held in the name of the company. To the extent information available following title deeds of immovable properties are not held in the name of Company:-*
 - (i) *free hold land relating to 4 accounting units having gross block of ₹ 45.62 crores and lease hold land of 1 accounting unit having Gross block ₹ 131.02 crores & net block of ₹ 97.35crores, which are still held in the name of erstwhile "Maharashtra State Electricity Board" and*
 - (ii) *free hold land relating to 2 accounting units having gross block ₹ 395.88 Crores, held in the name of "Mahanirmiti"*
- 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 external firms of Chartered Accountants during the year appointed by the management.
 - b) In our opinion and on the basis of our examination of records of inventory, the company has maintained proper records of inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were not material and 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 covered by clause (76) of section 2 of the Companies Act, 2013 during the year. Consequently, the provisions of Clause (iii)(a), Clause (iii)(b) and Clause (iii)(c) 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, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments and guarantees.
- 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 there under.
- 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.
- 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, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, were outstanding, as at March 31, 2017 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 :-

<i>Nature of the Statute</i>	<i>Nature of Dues</i>	<i>Amount due (₹ In crore)</i>	<i>Period to which amount relates</i>	<i>Forum at which dispute is pending</i>
<i>Income Tax Act</i>	<i>Penalty (Disputed Amount, ₹ 113. 51 Crores)</i>	<i>50.34</i>	<i>AY 2006-07</i>	<i>ITAT, Mumbai (Appeal by Department)</i>
<i>Income Tax Act</i>	<i>Penalty (Disputed Amount, ₹ 107. 32 Crores)</i>	<i>107.32</i>	<i>AY 2007-08</i>	<i>ITAT, Mumbai (Appeal by Department)</i>
<i>Income Tax Act</i>	<i>Penalty (Disputed Amount, ₹ 15.04 Crores)</i>	<i>15.04</i>	<i>AY 2014-15</i>	<i>AO, Mumbai</i>
<i>Income Tax Act</i>	<i>TDS on Service Tax</i>	<i>0.09</i>	<i>AY 2009-10</i>	<i>ITAT, Pune Bench</i>
<i>Central Excise</i>	<i>Duty levied on the Fabrication of Structural Steel Items</i>	<i>3.01</i>	<i>1991-1992 to 1994-95</i>	<i>CESTAT, Mumbai</i>
<i>Central Sales Tax Act</i>	<i>MVAT</i>	<i>0.35</i>	<i>2005-06</i>	<i>Commissioner of Sales Tax (Appeals), Nagpur</i>

- viii. In our opinion and according to the information and explanation given to us, the Company has generally not defaulted in repayment of loan or borrowings to banks, financial institutions and Government. The Company has not borrowed any sum through debentures.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, the provision of Section 197 to the Act is not applicable to the Company, being a Government Company vide notification no. GSR 463E dated 05th June 2015.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause xii of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Sections 177 and 188 of the Companies Act, 2013. Details of transactions with the related parties have been disclosed in the standalone Ind AS financial statements as required by applicable Accounting Standard.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause xiv of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per section 192 of Companies Act, 2013. Accordingly, clause xv of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For 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 U. M. Jain
Partner
ICAI M.No. 070863

CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place: Mumbai
Date: September 25th, 2017

ANNEXURE III TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Maharashtra State Power Generation Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2017.

- (1) The Company's internal financial control over timely capitalization of fixed assets and adjustment of liquidated damages in the fixed assets accounting are not operating effectively. These material weakness could potentially result in material misstatement in Company's fixed assets, CWIP, depreciation and expenses.
- (2) The Company's internal financial control over procurement and accounting of material, maintenance of subsidiary records pertaining to employees and stores, timely adjustments of advances to suppliers and provision for liabilities including interest payments to MSME vendors are not operating effectively. Controls over calculation and accounting of the late delivery and short supply penalties to supplier of coal are inadequate. These material weaknesses may result in incorrect valuation of liabilities and assets of the Company.
- (3) The Company's internal financial control over maintenance of Inventory records, reconciliation with financial ledger and valuation of Inventory are not operating effectively. These material weakness could potentially result in misstatement of inventory value.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified opinion

Being the Government undertaking, the Company's internal control process over financial reporting is designed by way of various Manuals, Rules, Circulars and instructions issued from time to time and our opinion is based on the internal control process over financial reporting as defined therein. During the course of our audit of financial statements, we have on test-checking basis and on review of adequacy of internal control process over financial reporting, have identified some gaps both in adequacy of design of control process and its effectiveness which have been reported in "Basis of Qualified Opinion" above.

In our opinion, with a exception of the matters described in para above and except for the effects/possible effects of the material weaknesses described in "Basis of Qualified Opinion" above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017. The Company is yet to formally establish criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone Ind AS financial statements of the Company and subject to the matters modified in our main audit report, these material weaknesses do not affect our qualified opinion on the standalone Ind AS financial statements of the Company.

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 U. M. Jain
Partner
ICAI M.No. 070863

CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place: Mumbai
Date: September 25th, 2017

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (CIN - U40100MH2005SGC153648)

Balance Sheet as at 31st March, 2017

(₹ Crores)

	Notes	31.03.2017	31.03.2016	01.04.2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	1	42877.96	27662.79	23207.01
(b) Capital Work-in-Progress	2	1201.15	17328.23	20582.92
Less:- Provision for obsolescence		(24.01)	(14.32)	(14.32)
Net Capital work in progress		1177.14	17313.91	20568.60
(c) Intangible Assets	1A	12.22	16.17	16.16
(d) Intangible assets under development	2	129.77	120.78	0.00
(e) Financial Assets				
(i) Investment in Subsidiaries and Associates	3	0.26	33.70	46.34
(ii) Trade Receivables	4	3044.34	3225.01	2404.91
(f) Other Non-Current Assets	5	1025.51	1036.64	1487.44
Total Non Current Assets		48,267.18	49,409.01	47,730.45
(2) Current Assets				
(a) Inventories	6	1413.70	1902.51	1423.16
(b) Financial Assets				
(i) Trade Receivables	7	7627.60	7665.49	7947.14
(ii) Cash and Cash Equivalents	8	34.06	144.33	90.26
(iii) Loans	9	54.40	410.06	143.15
(iv) Other Financial Assets	10	2140.32	1230.90	858.06
(c) Other Current Assets	11	2038.68	1575.18	1605.58
(d) Assets classified as held for Sale / Disposal	1B	290.50	134.17	46.46
Total Current Assets		13,599.26	13,062.65	12,113.82
Total Assets		61,866.44	62,471.65	59,844.27
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	24854.34	24098.36	8057.28
(b) Other Equity	13	(6679.59)	(5688.27)	8297.89
Total Equity		18,174.75	18,410.08	16,355.17
Liabilities				
(1) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	24497.94	22754.51	24637.29
(b) Provisions	15	797.69	803.37	838.43
(c) Deferred Tax Liabilities (Net)	15A	1173.61	1533.31	1529.38
(d) Other Non-Current Liabilities	16	53.64	223.75	206.29
Total Non Current Liabilities		26,522.88	25,314.94	27,211.39
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	8819.26	9439.96	6039.03
(ii) Trade Payables	18	1706.39	1256.59	3971.89
(iii) Other Financial Liabilities	19	6393.42	7763.74	5875.75
(b) Other Current Liabilities	20	11.52	31.13	31.17
(c) Provisions	21	238.21	255.22	237.87
(d) Current Tax Liabilities (Net)		0.00	0.00	121.99
Total Current Liabilities		17,168.81	18,746.64	16,277.71
Total Equity and Liabilities		61,866.44	62,471.65	59,844.27

As per our report attached
For M P Chitale & Co.
Chartered Accountants

For Maharashtra State Power Generation Co. Ltd.

(CA Ashutosh Pednekar)
Partner (ICAI M No. 041037)

For Borkar & Muzumdar
Chartered Accountants

(CA Devang Vaghani)
Partner (ICAI M No. 109386)

For Ummed Jain & Co.
Chartered Accountants

(CA U.M. Jain)
Partner (ICAI M No. 070863)
Mumbai, 25th September, 2017

Santosh Amberkar
Director (Finance)
DIN No. 05173607

Pankaj Sharma
Chief General Manager (A/c)

Mumbai, 18th September, 2017

Bipin Shrimali
Chairman & Managing Director
DIN No. 03272135

Rahul Dubey
Company Secretary
M No. A14213

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (CIN - U40100MH2005SGC153648)

Statement of Profit and Loss for the year ended 31st March, 2017

(₹ Crores)

	Notes	2016-17	2015-16
Revenue			
Revenue From Operations			
Gross Sale of Power	22	16623.77	18237.26
Other Operating Revenues	23	1540.18	1056.16
Other Income	24	199.90	172.73
Total Revenue		18363.85	19466.15
Expenses			
Cost of Materials Consumed	25	11022.66	11317.72
Employee Benefits Expense	26	1238.92	1215.92
Finance Costs	27	2906.61	2002.49
Depreciation & Amortization Expense	1 & 1A	2107.22	1633.79
Other Expenses	28	2018.14	1939.09
Total Expenses		19293.55	18109.01
Profit/(loss) Before Tax		(929.71)	1357.14
Tax expense :			
Current tax		0.00	0.00
Deferred tax	15A	(341.74)	22.38
Total Tax Expenses		(341.74)	22.38
Profit/(loss) for the period		(587.97)	1,334.76
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurements of the defined benefit plans	26A	(58.11)	(54.29)
Tax expense on OCI items		17.96	18.45
Other Comprehensive Income for the period (net of tax)		(40.15)	(35.84)
Total Comprehensive Income for the period, net of tax		(628.12)	1298.93
Earning per share [Basic]		(0.24)	1.48
Earning per share [Diluted earnings per share]		(0.24)	1.48

As per our report attached
For M P Chitale & Co.
Chartered Accountants

For Maharashtra State Power Generation Co. Ltd.

(CA Ashutosh Pednekar)
Partner (ICAI M No. 041037)

For Borkar & Muzumdar
Chartered Accountants

Santosh Amberkar
Director (Finance)
DIN No. 05173607

Bipin Shirmali
Chairman & Managing Director
DIN No. 03272135

(CA Devang Vaghani)
Partner (ICAI M No. 109386)

For Ummed Jain & Co.
Chartered Accountants

Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

(CA U.M. Jain)
Partner (ICAI M No. 070863)

Mumbai, 25th September, 2017

Mumbai, 18th September, 2017

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED**Cash Flow Statement For The Year Ended 31st March, 2017**

Particulars	2016-17 (₹ Crores)	2015-16 (₹ Crores)
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary Items	(929.71)	1,357.14
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on property, plant and equipment & Intangible Assets	2,107.22	1,633.79
Impairment in Value of Investments		
Finance Costs	2,906.61	2,002.49
Un realised Exchange Rate Difference	(47.19)	
Allowance for ECL	204.52	85.36
Interest Income	(0.50)	(0.23)
Provision for obsolescence of inventory	(71.15)	(14.10)
Operating Profit before Changes in Working Capital {Sub Total - (i)}	4,169.81	5,064.45
Movements in working capital		
(Increase) / Decrease in Trade Receivables	14.05	(623.81)
(Increase) / Decrease in Loans and Advances and Other Assets	(1,162.45)	(246.26)
(Increase) / Decrease in Inventories	559.96	(465.24)
Increase / (Decrease) in Liabilities and Other Payables	(1,691.31)	(945.68)
Sub Total - (ii)	(2,279.76)	(2,280.99)
Cash Generated from Operations (i) + (ii)	1,890.05	2,783.46
Less : Direct Taxes / FBT refund / (paid) - Net		
Net Cash from Operating Activities (A)	1,890.05	2,783.46
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (incl. Capital Work in Progress /excluding interest capitalised)	(1,190.65)	(2,955.68)
Sale of Property, Plant & Equipment		
Investment in Subsidiary	33.45	12.63
Interest received	0.50	0.23
Net Cash Flow generated from / (used in) Investing Activities (B)	(1,156.69)	(2,942.82)
C. Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings	1,743.43	(1,882.78)
Proceeds from issue of shares	694.37	697.77
Short term Loans raised / (repaid)	(650.68)	3,400.71
Finance Cost paid	(2,660.72)	(2,002.49)
Net Cash Flow generated from / (used in) Financing Activities (C)	(873.60)	213.21
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(140.25)	53.85
Cash and cash equivalents at the beginning of the year	144.33	90.26
Cash and cash equivalents at the end of the year	4.08	144.11
Details of cash and cash equivalents at the end of the year :		
Cash and cash equivalents as on		
Balances with Banks:		
- on current accounts	33.99	144.28
- on non-operative current accounts		
Overdraft	(29.98)	(0.22)
Cash on hand	0.07	0.05
Cash and cash equivalents at the end of the year	4.08	144.11

As per our report attached
For M P Chitale & Co.
Chartered Accountants

For Maharashtra State Power Generation Co. Ltd.

(CA Ashutosh Pednekar)
Partner (ICAI M No. 041037)
For Borkar & Muzumdar
Chartered Accountants

Santosh Amberkar
Director (Finance)
DIN No. 05173607

Bipin Shrimali
Chairman & Managing Director
DIN No. 03272135

(CA Devang Vaghani)
Partner (ICAI M No. 109386)
For Ummed Jain & Co.
Chartered Accountants

Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

(CA U.M. Jain)
Partner (ICAI M No. 070863)
Mumbai, 25th September, 2017

Mumbai, 18th September, 2017

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

I. Equity Share Capital

Particulars	(Amount ₹ Crores)
As at 01.04.2015	8057.28
Changes in Equity share capital	16,041.07
As at 01.04.2016	24,098.36
Changes in Equity share capital	755.98
As at 31.03.2017	24,854.34

II. Other Equity

(₹ Crores)

Particulars	Share Application Money Pending Allotment	Retained earnings	Other Comprehensive Income	Total Other Equity
As at 01.04.2015	16,041.07	(7,743.18)		8,297.89
Profit or Loss for the year		1,334.76		1,334.76
Other Comprehensive income for the year			(35.84)	(35.84)
Addition during the year	755.98			755.98
Shares Allotted during the year	(16,041.07)			(16,041.07)
As at 01.04.2016	755.98	(6,408.42)	(35.84)	(5,688.27)
Profit or Loss for the year		(587.97)		(587.97)
Other Comprehensive income for the year			(40.15)	(40.15)
Addition during the year	392.79			392.79
Shares Allotted during the year	(755.98)			(755.98)
As at 31.03.2017	392.79	(6,996.39)	(75.99)	(6,679.59)

Note:- The equity capital corresponding to transfer scheme (i.e. Financial Restructuring Plan) has been actually allotted on 31-03-2016. However as an impact of Ind As, the accounts for FY 2015-16 have been restated and the effect of transfer scheme has been accounted as on IndAS transition date i.e. 01-04-2015. Consequently, the equity capital amounting to ₹ 15111 Crs. has been recognised as share application money as on 01-04-2015

As per our report attached
For M P Chitale & Co.
Chartered Accountants

For Maharashtra State Power Generation Co. Ltd.

(CA Ashutosh Pednekar)
Partner (ICAI M No. 041037)

For Borkar & Muzumdar
Chartered Accountants

Santosh Amberkar
Director (Finance)
DIN No. 05173607

Bipin Shrimali
Chairman & Managing Director
DIN No. 03272135

(CA Devang Vaghani)
Partner (ICAI M No. 109386)

For Ummed Jain & Co.
Chartered Accountants

Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

(CA U.M. Jain)
Partner (ICAI M No. 070863)

Mumbai, 25th September, 2017

Mumbai, 18th September, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

A. Corporate Information

Maharashtra State Power Generation Company Limited ("the Company") is a Public Limited Company incorporated under the Companies Act, 1956 and domiciled in India.

The Company is engaged in electricity generation through Thermal, Hydel, Gas based and solar power plants and supplies it principally to Maharashtra State Electricity Distribution Company Ltd. at tariffs determined by the regulator, Maharashtra Electricity Regulatory Commission.

Significant Accounting Policies

Following are the significant accounting policies adopted in the preparation and presentation of these standalone financial statements.

B. Basis of preparation of financial statements

1. Compliance with Ind AS

The standalone financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2015. The transition was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from Accounting Standard as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, (previous GAAP). The Company's presentation currency and functional currency is Indian Rupees (₹). All figures appearing in the Financial Statements are rounded to the nearest crores (₹ Crores), except where otherwise indicated.

2. First - time adoption - mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening Balance Sheet as per Ind AS as of the transition date which is 1st April, 2015, by

- (a) recognising all assets and liabilities whose recognition is required by Ind AS;
- (b) not recognising items of assets or liabilities which are not permitted by Ind AS;
- (c) reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- (d) applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

Derecognition of financial assets and liabilities

The Company has applied the derecognition requirements of financial assets and liabilities prospectively for transactions occurring on or after 1st April, 2015 (date of transition).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transaction date.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases

in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for property, plant and equipment, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 1st April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Equity investments at FVTPL or at Cost

The Company has designated investment in equity shares as at FVTPL on the basis of facts and circumstances that existed at the transition date. The Company has opted to recognise investments in equity instruments of subsidiaries, associates and joint venture at cost.

Government Grant

The Company has elected to apply the requirements in Ind AS 20 retrospectively to government grants existing at the date of transition to Ind AS.

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3. Classification of Assets and liabilities

All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

For the above purposes, the Company has determined the operating cycle as twelve months based on the nature of products and the time between the acquisition of inputs for manufacturing and their realisation in cash and cash equivalents.

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.

4. Note on Historical cost convention

The financial statements have been prepared on going concern basis under the historical cost convention except:

- (a) certain financial instruments and
- (b) defined benefit plans

which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

5. Use of Judgment and Estimates

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets;
- Impairment of non-financial assets;
- Revenue recognition
- Fair value measurements of Financial instruments;
- Valuation of inventories;

- Measurement of recoverable amounts of cash-generating units;
- Measurement of Defined Benefit Obligation, key actuarial assumptions;
- Provisions and Contingencies;
- Evaluation of recoverability of deferred tax assets;
- Operating lease commitments

Revisions to accounting estimates are recognized prospectively in the Financial Statements in the period in which the estimates are revised and in any future periods affected.

6. Property, Plant and Equipment

- i. Freehold lands are carried at cost. All other items of Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

- ii. The initial cost of an asset comprises its purchase price or construction cost (including import duties, freight and non-refundable taxes); any incidental costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management; and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of direct costs, related pre-operational incidental expenses and attributable interest.

- iii. Capital Expenditure incurred by the Company, resulting in creation of Property Plant and Equipment 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 Property Plant and Equipment 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. An item of Property, Plant and Equipment and any significant part initially recognised separately as part of Property, Plant and Equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal; or when the Property, Plant Equipment has been re-classified as ready for disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.
- vii. Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Company. Accordingly, the Company classifies land lease arrangement with a term in excess of 99 years as a finance lease.
- viii. Spare parts which are meeting the requirement of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- ix. 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.
- x. 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.
- xi. The Company has chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

7. Intangible Assets

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable.

- i. Intangible assets lives are amortised on straight line basis over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets and impairment loss is recognised in the statement of Profit & Loss.
- ii. The Company has chosen the carrying value of Intangible Assets existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

8. Capital Work-in-progress

- i. In case of Property Plant and Equipment, for new projects / expansion, the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.
- ii. 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.

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

10. Borrowing Cost

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset till the month in which the asset is ready for 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.

11. Impairment of Non-Financial Assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

12. Depreciation / Amortization

- A. 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 the life of asset which is 25 years.

B. Property, Plant and Equipment

- i. The company has estimated the useful life of an item of Property Plant and Equipment based on a techno-commercial evaluation. This estimation includes the pattern of usage of the Property Plant and Equipment item. Accordingly, the Company provides depreciation on straight line method to the extent of 90% of the cost of asset.
- ii. Depreciation on the Property Plant and Equipment 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.

- iii. In case of Assets (other than assets mentioned in (iv) 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, the company charges depreciation on the basis of balance useful life upto 90%, since the company has estimated 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.

Type of asset	Depreciation (%)
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%

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

Type of asset	Depreciation (%)	Useful life
Furniture, Fixtures and Office Equipment	6.33%	15 years
Vehicles	9.50%	10 years
IT Equipment	15.00%	6 years

- v. Items of Property, Plant and Equipment costing not more than the threshold limit are depreciated at 100 percent in the year of acquisition. Cost of all Mobile Phones is charged off to Revenue during the year of purchase irrespective of threshold limit.
- vi. Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment.
- vii. The techno-commercial evaluation of the useful life, residual value and pattern of depreciation is reviewed annually. The present estimation is similar to the method used by MERC to determine tariff through MERC (Multi Year Tariff) Regulations 2015.

C. 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. Other intangible assets are amortized over the period for which benefits are estimated to generate sufficient economic benefits.

13. Non-currents assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met, only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

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

15. Revenue Recognition

- i. The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.
- ii. Revenue from the sale of goods is recognised when the:
 - a) significant risks and rewards of ownership of the goods are passed to the buyer,
 - b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
 - c) revenue can be measured reliably,
 - d) it is probable that economic benefits associated with the transaction will flow to the Company, and
 - e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- iii. Revenue from the sale of electricity is measured at the fair value of the consideration received or receivable, net of returns, taxes or duties collected on behalf of the government and applicable trade discounts or rebates.
- iv. 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.
- v. Interest income is recognised taking into account the amount outstanding and the applicable effective interest rate.
- vi. 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 utilization.
- vii. 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.

16. Accounting / classification of expenditure and income

Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively.

Prepaid expenses upto threshold limit in each case, are charged to revenue as and when incurred.

Insurance claims are accounted on acceptance basis.

All other claims/entitlements are accounted on the merits of each case.

17. Investments

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

The Company has chosen the carrying value of the investment in Subsidiaries, associates and joint ventures existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April 2015 as deemed cost.

18. Foreign Currency transactions

Transactions in foreign currencies are initially recorded at the respective exchange rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as 'Exchange Rate Variation' or as 'finance costs' (to the extent regarded as an adjustment to borrowing costs), as the case maybe.

19. Employee Benefits**i. Short Term Employee Benefits**

Short term employee benefits are recognized as an expense at undiscounted amount in the Statement of Profit & Loss of the year in which related services are rendered by the employees.

xii. Post-employment benefits**a) Defined Contribution Plan**

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

b) Defined Benefit Plans

Post-employment benefits

Liability towards defined employee benefits like gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method.

Re-measurements of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income.

Other long-term employee benefits

Liability towards other long term employee benefits i.e. leave encashment are determined on actuarial valuation by independent actuaries using Projected Unit Credit method.

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.

20. 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.

Operating Lease

Lease arrangements which are not classified as finance leases are considered as operating lease.

Payments made under Operating Leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease, unless such payments are structured to increase in line with expected general inflation. The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra.

21. Government Grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to property, plant and equipment, the cost of property, plant and equipment is shown at gross value and grant thereon is treated as liability (deferred income) and are credited to statement of profit and loss on a systematic basis over the useful life of the asset.

22. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using an appropriate discount rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable

23. Fair value measurement

Fair value is the price that would be received/ paid to sell an asset or to transfer a liability, as the case may be, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

24. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets

A. Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Statement of Profit or loss.

B. Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets.

The Company classifies financial assets as under;

- (a) subsequently measured at amortised cost;
- (b) fair value through other comprehensive income; or
- (c) fair value through profit or loss

On the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is

- To hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method and such amortization is recognised in the Statement of Profit and Loss.

Debt instruments at Fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for measurement of debt instruments.

After initial measurement, any fair value changes including any interest income, impairment loss and other net gains and losses are recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments

Equity instruments included within the FVTPL category are measured at fair value with all fair value changes being recognized in the Statement of Profit and Loss.

Investments in equity instruments of subsidiaries, associates and joint venture entities are carried at cost less impairment.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and those carried at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date.

Financial Liabilities**Initial recognition and measurement**

All financial liabilities (not measured subsequently at fair value through profit or loss) are recognised initially at fair value net of transaction costs that are directly attributable to the respective financial liabilities. The Company's financial liabilities include trade and other payables, loans and borrowings

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(I) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(ii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial

period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

25. Cash and Cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

26. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (Ind AS) 7 on 'Statement of Cash Flow'. For the purpose of the Statement of Cash Flows, cash and cash equivalent consist of cash, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

27. Earning Per Share

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.

28. Taxation

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(a) Current 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting. 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.

(b) Deferred Tax

Deferred tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Note No. 1 : PROPERTY, PLANT AND EQUIPMENT TANGIBLE ASSETS												
Particulars	ASSET						(₹ Crores)					
	Land (including development)	Buildings	Hydraulic Works	Other Civil Works	Plant, Machinery & Equipments	Lines & Cable Networks	Vehicles	Furniture & Fixtures	Office Equipments	Capital Expenditure resulting in Assets not belonging to the Company	Total Tangible Assets	Less : Capitalised Depreciation charged to Statement of Profit & Loss
As per Annual Accounts as at 01.04.2015	1,540.68	708.83	740.49	1165.76	16898.30	254.98	4.32	20.77	12.46	58.83	23214.97	
Addition	28.39	-	98.00	114.60	5532.14	1.54	0.91	1.41	3.16	0.00	6202.63	
Deduction	-	13.86	0.00	76.31	250.21	12.81	0.22	0.00	0.00	0.00	385.64	
Balance as at 31.03.2016	1,569.07	694.96	838.49	1204.05	22180.23	243.71	5.01	22.18	15.62	58.83	29031.97	
Addition	26.18	238.76	154.68	168.90	15776.01	248.63	3.58	3.15	5.32	0.00	17503.14	
Deduction	-	31.30	2.00	18.48	574.43	7.14	0.51	2.00	0.74	0.44	702.19	
Balance as at 31.03.2017	1,595.25	902.43	991.17	1354.46	37381.81	485.20	8.07	23.33	20.20	58.38	45832.92	
Accumulated Depreciation & Impairment												
Addition	-	4.38	34.28	131.33	1273.82	28.21	0.52	1.97	2.71	4.54	1632.60	1.79
Deduction	-	12.48	0.00	37.96	205.01	10.13	0.20	-0.03	0.03	0.00	294.02	
As per annual Accounts	-	4.38	34.28	93.36	1068.81	18.08	0.32	2.00	2.68	4.54	1338.58	
Balance as at 31.03.2016	-	-	-	-	-	-	-	-	-	-	-	-
Addition	-	32.67	83.81	78.20	1691.30	24.86	0.67	1.84	2.39	4.54	2098.44	1.54
Deduction / Adjustments	-	27.31	1.03	40.21	407.14	3.92	0.42	1.55	0.21	0.38	512.65	
Balance as at 31.03.2017	-	27.56	117.06	131.35	2352.97	39.02	0.56	2.29	4.86	8.70	2924.37	
Provision for Obsolescence	-	0.40	0.00	0.00	0.03	6.79	0.11	0.00	0.01	0.05	7.97	
As at 1 st April, 2015	1,540.68	708.43	740.49	1165.76	16898.27	248.19	4.21	20.77	12.44	58.78	23207.01	
Provision for Obsolescence	-	0.40	0.00	0.00	22.66	6.79	0.11	0.00	0.01	0.05	30.60	
As at 31 st March, 2016	1,569.07	672.36	804.21	1110.68	21088.76	218.84	4.58	20.18	12.92	54.24	27662.79	
Provision for Obsolescence	-	0.40	0.00	0.00	22.65	6.79	0.11	0.00	0.01	0.05	30.59	
As at 31 st March, 2017	1,595.25	874.47	874.11	1223.11	35006.18	439.40	7.40	21.04	15.33	49.64	42877.96	

Note No. - 1A**Intangible Assets**

(₹ Crores)

Cost	Software Licences	Total Intangible Assets
As per Annual accounts as at 01.04.2015	16.16	16.16
Addition	2.99	2.99
Deduction	0.32	0.32
Balance as at 31.03.2016	18.84	18.84
Addition	6.52	6.52
Deduction	-	-
Balance as at 31.03.2017	25.36	25.36
Accumulated Depreciation and impairment		
As per Annual accounts as at 01.04.2015	-	-
Addition	2.98	2.98
Deduction	0.32	0.32
As per annual Accounts Balance as at 31.03.2016	2.66	2.66
Addition	10.47	10.47
Deduction/Adjustments	-	-
Balance as at 31.03.2017	13.14	13.14
Net Carrying Amount		
As at 1st April 2015	16.16	16.16
As at 31 March 2016	16.17	16.17
As at 31 March 2017	12.22	12.22

Note No. - 1B**Assets Classifies as held for sale**

(₹ Crores)

Particulars	31.03.17	31.03.16	01.04.15
Non-current assets held for sale			
Plant & Machinery	250.05	82.50	41.21
Factory Buildings & Others	7.17	2.21	0.82
Hydraulic Works	6.94	5.60	1.62
Railway Sidings, Roads & Others	16.89	38.44	0.09
Lines & Cable Networks	8.43	5.20	2.52
Vehicles	0.22	0.13	0.12
Furniture & Fixtures	0.27	0.01	0.01
Office Equipments	0.46	0.07	0.07
Other Miscellaneous Assets	0.07	-	-
Total	290.50	134.17	46.46

Note : Operations of the power generating unit no. 5 at Koradi TPS & unit no. 3 at Parali TPS have been discontinued during FY 2016-2017. The company is in the process of disposing of these assets. During the year ended 31st March, 2017, the company has reclassified the said assets as assets held for sale. No impairment loss has been recognised on reclassification as the company expects that the fair value (estimated based on the recent market prices of similar properties) less costs to sell is higher than it's carrying amount as on 31st March, 2017.

Note No. - 2
Capital Work in Progress

(₹ Crores)

Particulars	Total Tangible CWIP	CWIP - Freehold Land	CWIP - Factory Buildings	CWIP - Other Buildings	CWIP - Roads & Others	CWIP - Plant & Machinery	CWIP - Vehicles	CWIP - Furniture & Fixtures	CWIP - Office equipment	CWIP - Intangible Assets
As on 01.04.2015	20,582.92	9.99	3,566.43	18.33	-	16,983.38	0.01	-	4.78	-
Addition	6,605.07	4.82	2,540.07	7.19	3.16	4,038.79	0.17	0.11	10.76	120.91
Deduction	9,859.76	-	3,450.94	24.68	-	6,379.67	0.18	0.11	4.18	0.13
As on 31.03.2016	17,328.23	14.81	2,655.55	0.85	3.16	14,642.50	0.00	-	11.35	120.78
As on 01.04.2016	17,328.23	14.81	2,655.55	0.85	3.16	14,642.50	0.00	-	11.35	120.78
Addition	8,060.32	2.70	2,068.34	2.04	2.04	5,942.91	0.77	0.34	41.17	10.34
Deduction	24,187.39	3.12	4,169.25	2.89	0.10	19,973.04	0.77	0.34	37.88	1.35
As on 31.03.2017	1,201.15	14.39	554.64	-	5.10	612.37	0.00	0.01	14.64	129.77

Note No. - 3
Investment in Subsidiaries, Joint Ventures and Associates
Investments in Equity Instruments at cost less impairment

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Un - Quoted			
MAHAGENCO Ash Management Services Limited (formerly Dhule Power Limited) 50,000 Equity Shares of ₹ 10 each fully paid up	0.05	0.05	0.05
Dhopave Coastal Power Company Limited 50,000 Equity Shares of ₹ 10 each fully paid up	0.05	0.05	0.05
UCM Coal Co. Ltd 30,000 Equity Shares of ₹ 10 each fully paid up	0.03	0.03	0.03
Mahaguj Colliery Limited 30,000 Equity Shares of ₹ 10 each fully paid up	0.03	0.03	0.03
Quasi Equity investment in subsidiaries	45.19	33.54	46.18
Total	45.35	33.70	46.34
Less : Allowance for Expected Credit Loss	(45.10)	0.00	0.00
Total	0.26	33.70	46.34

Note No. - 4
Non-Current : Trade Receivables

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Unsecured considered good;	3740.66	3740.66	2701.39
Less: Allowance for Expected Credit Loss	(696.32)	(515.65)	(296.48)
Total	3044.34	3225.01	2404.91

Note No. - 5**Other Non-Current Assets**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Security Deposits	0.33	0.33	0.33
Less:- Allowance for Expected Credit Loss	(0.33)	(0.33)	(0.33)
	-	-	-
Advances for O & M Supplies/fuel/recoverables	243.85	215.86	192.39
Less:- Allowance for Expected Credit Loss	(243.85)	(215.86)	(192.39)
	-	-	-
Balance recoverable from statutory authorities	0.16	0.16	0.00
Less:- Allowance for Expected Credit Loss	(0.16)	(0.16)	0.00
	-	-	-
Advance to Irrigation Department Government of Maharashtra	138.21	138.21	138.21
Less:- Allowance for Expected Credit Loss	(28.08)	(21.50)	(11.77)
	110.13	116.71	126.44
Income Tax Refundable (net of provisions)	211.64	205.57	148.50
Staff Advance	2.74	14.57	18.56
Capital advances	60.22	132.93	712.83
Deferred Lease Rent	637.65	563.73	477.98
Claims Receivable under MVAT Refund Account	3.12	3.12	3.12
Total	1025.51	1036.64	1487.44

Note No. - 6**Current Assets : Inventories**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Raw materials (Coal)	602.01	1023.46	274.78
Fuel Oil, LDO etc	171.51	184.45	168.60
Stock-in-transit (Coal)	49.00	51.82	48.18
Stores and spares	914.05	894.50	1169.21
Less : Provision for Obsolescence of stores and spares	(322.87)	(251.72)	(237.61)
Total	1413.70	1902.51	1423.16

Note No. - 7**Current Assets : Trade Receivables**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Unsecured considered good;	7627.60	7665.49	7947.14
Doubtful	97.49	0.00	0.00
Less: Allowance for Expected Credit Loss	(97.49)	0.00	0.00
Total	7627.60	7665.49	7947.14

Note No. - 8
Current Assets : Cash and Cash Equivalents

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Balances with Scheduled Banks :			
- on Current Accounts	33.99	144.28	90.20
Cash on Hand	0.07	0.05	0.06
Total	34.06	144.33	90.26

Note No. - 9
Current Assets : Current Loans

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Unsecured, considered good			
Employee loans and advances	12.49	28.78	45.34
Receivable from CPF Trust	40.73	30.63	29.10
Loans to related parties	0.00	349.84	63.41
Other Advances	1.17	0.81	5.30
Total	54.40	410.06	143.15

Note No. - 10
Other Current Financial Assets

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Unsecured, considered good			
Recoverables from Employees	2.12	0.59	2.95
Unbilled Receivables	1519.83	558.40	298.69
Receivable under MVAT refund account	581.22	642.36	507.50
Rent Receivable	0.63	0.68	2.33
Claims receivable	18.48	18.55	46.59
Recoverable from Contractors	18.04	10.31	0.00
Total	2140.32	1230.90	858.06

Note No. - 11
Current Assets : Other Assets

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Coal Deposits	0.00	0.00	54.05
Prepaid Expenses	38.69	32.02	5.60
Balances with Statutory Authorities	69.40	64.55	0.52
Advances for O & M supplies / works	1481.10	717.73	359.26
Advances for coal / fuel supplies	539.53	760.88	1186.15
Less:- Allowance for Expected Credit Loss	(90.03)	0.00	0.00
Total	2038.68	1575.18	1605.58

Note No. - 12**Share Capital****i) Authorised Capital**

Class of Share	Par Value	As at 31-03-2017		As at 31-03-2016		As at 01.04.2015	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Equity Shares	10	25,000,000,000	25,000.00	25,000,000,000	25,000.00	25,000,000,000	25,000.00

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

Class of Share	Par Value	As at 31-03-2017		As at 31-03-2016		As at 01.04.2015	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Equity Shares	10	24,854,336,788	24,854.34	24,098,356,788	24,098.36	8,057,284,564	8,057.28

iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31-03-2017		As at 31-03-2016		As at 01.04.2015	
	Equity Shares		Equity Shares		Equity Shares	
	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Outstanding at the beginning of the year	24,098,356,788	24,098.36	8,057,284,564	8,057.28	6,808,370,164	6,808.37
Addition during the period	755,980,000	755.98	16,041,072,224	16,041.07	1,248,914,400	1,248.91
Outstanding at the end of the year	24,854,336,788	24,854.34	24,098,356,788	24,098.36	8,057,284,564	8,057.28

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 31-03-2017	As at 31-3-2016	As at 01.04.2015
	Equity Shares	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	24,854,336,788	24,098,356,788	8,057,234,564
MSEB Holding Company Ltd. (Amount in ₹ Crores)	24,854.29	24,098.36	8,057.23

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 31-03-2017		As at 31-03-2016		As at 01.04.2015	
	Equity Shares	% of Shares	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	24,854,336,788	100.00	24,098,356,788	100.00	8,057,234,564	99.99

Note No. - 13

Other Equity - (a) : Reserves and Surplus

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Retained Earnings			
As per last Balance Sheet	(6444.25)	(7743.18)	(7743.18)
Add : Profit/(loss) for the year	(628.12)	1298.93	0.00
Sub-Total	(7072.38)	(6444.25)	(7743.18)
Other Equity - (b) : Other Reserves			
Share Application Money Pending Allotment	392.79	755.98	16041.07
Grand Total	(6679.59)	(5688.27)	8297.89

Note No. - 14

Non Current Borrowings

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Term loans			
Secured			
Term Loan From Financial Institutions	21573.89	21671.59	22389.03
Term Loan From Banks	2003.03	78.72	1562.88
Un - secured			
Term Loan From Financial Institutions	46.48	0.00	46.88
Term Loan From Others	201.05	205.36	0.05
Loan from World Bank	159.20	98.45	27.08
Loan from KFW	514.30	700.38	611.36
Total	24497.94	22754.51	24637.29

Note No. - 15

Non Current Provisions

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Provision for Gratuity	375.21	383.13	413.07
Provision for Leave Encashment	422.48	420.23	425.36
Total	797.69	803.37	838.43

Note No. - 15A

Deferred Tax

(a) Amounts recognised in Profit and Loss

(₹ Crores)

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Current Tax Expense		
Current Year	-	-
Changes in estimates relating to prior years	-	-
Deferred Tax Expense	-	-
Origination and Reversal of Temporary Differences	(202.35)	22.38
Changes in Tax Rate	(139.39)	-
Changes in Estimates Relating to Prior Years	-	-
Recognition of Previously Unrecognised Tax Losses	-	-
	(341.74)	22.38
Tax Expense Recognised in the income statement	(341.74)	22.38

(b) Amount recognised in other Comprehensive Income

(₹ Crores)

Particulars	For the Year Ended March 31, 2017		
	Before Tax	Tax Expense / (Benefit)	Net of Tax
Items that will not be reclassified to Profit or Loss			
Remeasurements of the defined benefit plans	(58.11)	17.96	(40.15)
Total	(58.11)	17.96	(40.15)

Particulars	For the Year Ended March 31, 2016		
	Before Tax	Tax Expense / (Benefit)	Net of Tax
Items that will not be reclassified to Profit or Loss			
Remeasurements of the defined benefit plans	(54.29)	18.45	(35.84)
Total	(54.29)	18.45	(35.84)

(c) Reconciliation of Effective Tax Rate

(₹ Crores)

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Profit Before Tax	(929.71)	1,357.14
Application Tax Rate	30.90%	33.99%
Tax Using the Company's Domestic Tax Rate	(287.28)	461.29
Reduction in Tax Rate	(139.39)	-
Tax Effect of :	-	-
Non-Deductible Tax Expenses	17.63	9.59
Permanent Difference	-	-
- For Depreciation and Other Items	134.64	(250.14)
- Impairment of financial assets	(121.95)	-
Expenditure allowable on cash basis	(15.19)	23.66
Deferred Tax Reversal for earlier years	66.88	(224.19)
Other expenses not allowable	2.92	2.17
	-	-
Tax Expense	(341.74)	22.38
Effective Tax Rate	-36.76%	1.65%

(e) Movement in Deferred Tax Balances

Particulars					March 31, 2017	
	Net Balance April 1, 2016	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset	(2,944.47)	(764.62)	-	(3,709.08)	-	(3,709.08)
Property, plant & equipment	-	10.53	-	10.53	10.53	-
Investments	85.56	14.21	-	99.77	99.77	-
Trade receivables	175.27	70.02	-	245.29	245.29	-
Provision	359.81	(57.67)	17.96	320.09	320.09	-
Unabsorbed Depreciation	898.93	1,000.39	-	1,899.32	1,899.32	-
Loans and Advances	(108.41)	68.89	-	(39.52)	(39.52)	-
Tax Assets (Liabilities)	(1,533.31)	341.74	17.96	(1,173.61)	2,535.47	(3,709.08)

Particulars					March 31, 2016	
	Net Balance April 1, 2015	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset						
Property, plant & equipment	(2,496.94)	(447.52)	-	(2,944.47)	-	(2,944.47)
Investments	80.76	4.79	-	85.56	85.56	-
Trade receivables	100.77	74.49	-	175.27	175.27	-
Provision	380.51	(39.15)	18.45	359.81	359.81	-
Unabsorbed Depreciation	498.26	400.67	-	898.93	898.93	-
Loans and Advances	(92.75)	(15.66)	-	(108.41)	(108.41)	-
Tax Assets (Liabilities)	(1,529.38)	(22.38)	18.45	(1,533.31)	1,411.16	(2,944.47)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing whether the deferred income tax assets will be realized, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realize the benefits of those recognized deductible differences and tax loss carry forwards. Recoverability of deferred tax assets is based on estimates of future taxable income. Any changes in such future taxable income would impact the recoverability of deferred tax assets.

Note No. - 16

Other Non-Current Liabilities

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Capital Grant	53.64	34.05	16.59
Advance against Depreciation	0.00	189.70	189.70
Total	53.64	223.75	206.29

Note No. - 17

Current Borrowings

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Loans repayable on demand			
Secured			
from banks			
Cash Credit	3432.91	4746.25	5039.03
Loans repayable on demand			
Unsecured			
from banks			
Working Capital	1962.91	869.00	949.09
Other Short Term Loans	3423.44	3824.71	50.91
Total	8819.26	9439.96	6039.03

Note No. - 18

Current Trade Payables

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Micro, Small and Medium Enterprises (MSME)	2.40	0.70	0.77
Other than MSME	1703.99	1255.89	3971.13
Total	1706.39	1256.59	3971.89

Note No. - 19

Other Current Financial Liabilities

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Current maturities of Long Term Borrowings	2228.49	3205.18	915.79
Retentions	2850.91	2396.95	2463.49
Other Deposits	94.68	158.97	161.95
Interest accrued but not due	242.36	444.00	527.22
Payables for Capital goods	110.59	98.04	530.73
Related Party Payables	687.03	494.65	597.68
Others	170.93	963.49	634.67
Payable to employees	8.43	2.45	44.23
Total	6393.42	7763.74	5875.75

Note No. - 20

Other Current Liabilities

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Statutory Dues			
Income tax deducted at source - Salary	9.21	20.05	6.62
Income tax deducted at source - Contractors	2.27	8.82	24.09
Service Tax liability	0.04	2.25	0.46
Total	11.52	31.13	31.17

Note No. - 21
Current Provisions

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Provision for Gratuity	95.49	107.18	107.35
Provision for Leave Encashment	142.73	148.04	130.52
Total	238.21	255.22	237.87

Note No. - 21A
Current Tax Liabilities (Net)

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Provision for Income Tax (Net)	0.00	0.00	121.97
Provision for Wealth Tax	0.00	0.00	0.02
Total	0.00	0.00	121.99

Note No. - 22
Gross Sale of Products

(₹ Crores)

Particulars	2016-17	2015-16
Sale of Power	16623.77	18237.26
Total	16623.77	18237.26

Note No. - 23
Other Operating Revenues

(₹ Crores)

Particulars	2016-17	2015-16
Delayed payment surcharge	1506.67	1039.26
Miscellaneous Operating Income	33.51	16.90
Sale of Fly Ash	26.79	26.82
Less :- Transferred to Fly Ash Liability	(26.79)	(26.82)
Total	1540.18	1056.16

Note No. - 24
Other Income

(₹ Crores)

Particulars	2016-17	2015-16
Interest on Deposits	0.50	0.23
	0.50	0.23
Income from rent, hire charges etc.	6.01	6.44
Profit on sale of assets/stores/scrap	16.16	11.20
Sale of tender forms	2.59	2.86
Sundry Credit balance write Back	95.45	90.30
Other receipts	78.73	61.24
Govt Grant Amortization	0.46	0.46
	199.39	172.50
Total Other Income	199.90	172.73

Note No. - 25**Cost of Material Consumed**

(₹ Crores)

Particulars	2016-17	2015-16
Coal	10269.37	10407.31
Gas	502.62	747.52
Oil	178.60	117.94
Water	72.07	44.95
Total	11022.66	11317.72

Note No. - 26**Employee Benefits Expense**

(₹ Crores)

Particulars	2016-17	2015-16
Salaries, Wages, Bonus, etc.	917.78	944.30
Contribution to Provident Fund	88.88	97.34
Gratuity, Leave Encashment and Other Employee Benefits	166.40	123.82
Employee Welfare Expenses	65.86	50.46
Total	1238.92	1215.92

Note No. - 26A**Employee Benefits Expense Under OCI**

(₹ Crores)

Particulars	2016-17	2015-16
Remeasurements of the defined benefit plans	58.11	54.29
Total	58.11	54.29

Note No. - 27**Finance costs**

(₹ Crores)

Particulars	2016-17	2015-16
Interest	2830.32	1998.15
Other borrowing costs	76.29	4.35
Total	2906.61	2002.49

Note No. - 28**Other Expenses**

(₹ Crores)

Particulars	2016-17	2015-16
Rent	15.73	15.38
Hydro Lease Rent	452.10	452.08
Repairs and Maintenance on :		
Plant & machinery & Building	781.36	772.71
Ash Handling Expenses	31.88	32.63
Repair & Maintenance - Others	0.53	0.58
Insurance charges	16.58	11.40
Rates and taxes	20.47	21.13
Others :		
Lubricants, consumables & stores including obsolescence	70.45	57.85
Domestic Water	0.49	0.12

Legal and professional charges	12.07	8.76
Commission to agents	2.27	26.91
Other Bank Charges	0.52	3.22
Contribution towards assets not owned by Company / CSR expenditure	9.46	6.20
Provision for doubtful advances	204.52	85.36
Impairment of Financial Instrument	187.25	228.90
Other general expenses	211.73	119.97
Loss on obsolescence of Fixed Assets	0.00	28.21
Loss on foreign exchange variance (Net)	0.00	93.82
Expenses transferred to Fly Ash utilization liability	0.00	(26.82)
Payments to the auditors for :		
- Audit Fees	0.53	0.53
- Other Services	0.05	0.00
- Reimbursement of expenses	0.06	0.08
- Reimbursement of service tax	0.09	0.09
Total	2018.14	1939.09

Note No. - 29

Notes to the financial statements

Mahagenco

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.

The Company recognised ₹ Nil Crores (previous year ₹ Nil Crores) for Provident Fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan :

Liability towards long term defined employee benefits - leave encashment, gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is unfunded in the case of leave encashment and gratuity.

GRATUITY

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

(₹ Crores)

Particulars	Defined benefit obligation			Fair value of plan assets			Net defined benefit (asset) liability		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Opening balance	490.31	520.42	447.47				490.31	520.42	447.47
Interest Cost Included in profit or loss	39.18	41.37	41.39				39.18	41.37	41.39
Current service cost	14.65	15.00	12.02				14.65	15.00	12.02
Past service cost									
Interest cost (income)									
	544.13	576.79	500.87	-	-	-	544.13	576.79	500.87

Included in OCI									
Remeasurement loss (gain):									
Actuarial loss (gain) arising from:									
Demographic assumptions	17.30	(0.92)	28.32				17.30	(0.92)	28.32
Financial assumptions	40.81	55.21	130.37				40.81	55.21	130.37
Experience adjustment									
Return on plan assets excluding interest income									
	58.11	54.29	158.70	-	-	-	58.11	54.29	158.70
Other									
Contributions paid by the employer									
Benefits paid	(131.54)	(140.77)	(139.15)				(131.54)	(140.77)	(139.15)
Closing balance	470.70	490.31	520.42	-	-	-	470.70	490.31	520.42
Represented by									
Net defined benefit asset									
Net defined benefit liability							470.70	490.31	520.42
							470.70	490.31	520.42

B. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.27%	7.99%	7.95%
Salary escalation rate	5.00%	5.00%	5.00%
Mortality rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows :

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

(₹ Crores)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-12.18	12.99	-11.20	11.88	-11.36	12.01
Future salary growth (0.5% movement)	13.21	-12.49	12.17	-11.56	12.30	-11.72
Employee Turnover (0.5% movement)	2.21	-2.34	2.60	-2.74	2.44	2.57

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Maturity Analysis of Defined Benefit Obligation

Defined Benefits Payable in Future Years From the Date of Reporting

(₹ Crores)

Particulars	March 31, 2017	March 31, 2016
1st Following Year	95.49	75.90
2nd Following Year	47.28	36.09
3rd Following Year	58.97	48.39
4th Following Year	51.92	40.89
5th Following Year	45.82	35.27
Sum of Years 6 To 10	169.33	127.35

LEAVE ENCASHMENT

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

(₹ Crores)

Particulars	Defined benefit obligation			Fair value of plan assets			Net defined benefit (asset) liability		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Opening balance	568.27	555.88	387.67				568.27	555.88	387.67
Included in profit or loss (Interest Cost)	45.40	44.19	35.86				45.40	44.19	35.86
Current service cost	11.15	11.46	10.73				11.15	11.46	10.73
Past service cost									
Interest cost (income)									
	624.83	611.53	434.26	-	-	-	624.83	611.53	434.26
Included in OCI									
Remeasurement loss (gain):									
Actuarial loss (gain) arising from:									
Demographic assumptions									
Financial assumptions	20.87	(1.10)	31.75				20.87	(1.10)	31.75
Experience adjustment	35.15	12.89	198.15				35.15	12.89	198.15
Return on plan assets excluding interest income									
	56.02	11.79	229.91	-	-	-	56.02	11.79	229.91
Other									
Contributions paid by the employer	(115.64)	(55.05)	(108.28)				(115.64)	(55.05)	(108.28)
Benefits paid									
Closing balance	565.20	568.27	555.88	-	-	-	565.20	568.27	555.88
Represented by									
Net defined benefit asset									
Net defined benefit liability							565.20	568.27	555.88
							565.20	568.27	555.88

B. Defined benefit obligations**i. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.27%	7.99%	7.95%
Salary escalation rate	5.00%	5.00%	5.00%
Mortality rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

- B) The provident fund plan of the Company is operated by the "Maharashtra State Power Generation Company Limited Employees Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. During the year, since the market value of investment is more than subscription liability of the Trust, the liability on this account recognised in Profit & Loss account is ₹ Nil (P.Y. ₹ Nil)

Note No. - 30

(₹ Crores)

Capital / Government grants		
As at 01.04.2015		16.59
Received during FY 2015-2016		17.92
Government Grant amortised during FY 2015-2016		0.46
As at 31.03.2016		34.05
Received during FY 2016-2017		20.04
Government Grant amortised during FY 2016-2017		0.46
As at 31.03.2017		53.64
	31.03.17	31.03.16
Current	0.46	0.46
Non-current	53.18	33.59
Total	53.64	34.05

Government grant have been received for the purchase of certain item of Property, Plant and Equipment at Pophali Hydro Power Station. The same have been accounted for as government grant and being amortised over the useful life of such assets. There are no other unfulfilled conditions or contingencies attached to this grant. Further during the year Company has received ₹ 20 Crs (PY ₹ 17.92 Crs.) from World Bank towards Koradi U-6 Renovation & Modernisation. The asset under the scheme of Renovation & Modernisation is part of Asset under construction.

Note No. - 31**Intangible assets under development**

(₹ Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Opening balance	120.78	-	-
Additions for the year	8.98	120.78	-
Closing Balance	129.77	120.78	-

Company has acquired the right to develop the coal block at Gare Palma, Chattishgarh & Company is in the process of appointing the mine developer for this purpose.

Note No. - 32
Investment in Related Party :

(₹ Crores)

Details of Transactions	MAHAGUJ	DHOPAVE	MAHAGAMS	UCM	AURANGABAD
Opening Balance as on 01-04-2015					
- Equity investment	0.03	0.05	0.05	0.03	-
- Quasi Equity investment	32.71	13.25	0.13	0.09	4.71
Quasi Equity investment during the year	0.67	-6.99	0.00	-	-
Balances outstanding as on 31-03-2016					
- Equity investment	0.03	0.05	0.05	0.03	-
- Quasi Equity investment	33.37	6.26	0.13	0.09	4.71
Quasi Equity investment during the year	0.55	0.01	0.08	-	-
Balances outstanding as on 31-03-2017					
- Equity investment	0.03	0.05	0.05	0.03	-
- Quasi Equity investment	33.92	6.27	0.21	0.09	4.71

Note No. - 33
Assets hypothecated / pledged as security

The carrying amount of assets hypothecated / mortgaged as security for current and non-current borrowings are :

(₹ Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Security created in respect of Non-current Borrowings			
Property, plant and equipment excluding leasehold land	40,570	25,105	16,079
Security created in respect of Current Borrowings			
i) Inventories	1,414	1,903	1,423
ii) Trade receivables	11,466	11,406	10,649
Total assets as security	12,879	13,309	12,072

Note No. - 34

During the current financial year 2016-17, Revenue Subsidy towards Solar power sales from Central Government amounting to ₹ 1.08 Crores (2015-16: ₹ 1.64 Crores) has been accounted.

Note No. - 35

Inter- company transactions are reconciled on a continuous basis. However, year end balances are subject to confirmation/reconciliation which is not likely to have a material impact.

Note No. - 36

The recognition of MAT Credit Entitlements excluding surcharge & Education Cess of ₹ 603.86 Crore as at March 31, 2017 (₹ 603.86 Crore as at March 31, 2016) is on the basis that the company, being rate regulated entity having entitlement for a prescribed return on equity, will be able to generate the sufficient profits to avail the credit during the period specified in section 115JAA of the Act.

Note No. - 37

To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at balance sheet date is disclosed on which Auditors have relied upon :

(₹ Crores)

Sr. No.	Particulars	31.03.2017	31.03.2016	01.04.2015
1	Amounts payable to “suppliers” under MSMED Act, as on - Principal - Interest	2.4 0.13	0.7 0.02	0.77 0.03
2	Amounts paid to “suppliers” under MSMED Act, beyond appointed day during respective F.Y. (irrespective of whether it pertains to current year or earlier years) - - Principal - Interest	0.04	-	-
3	Amount of interest due / payable on delayed principal which has already been paid during the current year (without interest or with part interest)	-	-	-
4	Amount accrued and remaining unpaid at the end of Accounting Year	0.48	0.20	0.19
5	Amount of interest which is due and payable, which is carried forward from last year	0.73	0.58	0.39

Note No. - 38

Related Party Disclosure :

A. Names of and Relationship with Related Parties**1. Associate entities :**

- i. M/s. UCM Coal Company Limited

2. Subsidiaries :

- i. M/s. Dhopave Coastal Power Limited
- ii. M/s. Mahagenco Ash Management Services Limited
- iii. M/s. Mahaguj Collieries Limited

3. Fellow subsidiaries :

- i. M/s Maharashtra State Electricity Distribution Company Ltd.
- ii. M/s Maharashtra State Electricity Transmission Company Ltd.

B. The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.**1. Associate entities :**

- i. M/s. UCM Coal Company Limited

2. Subsidiaries :

- i. M/s. Dhopave Coastal Power Limited
- ii. M/s. Mahagenco Ash Management Services Limited
- iii. M/s. Mahaguj Collieries Limited

3. Fellow subsidiaries :

- i. M/s Maharashtra State Electricity Distribution Company Ltd.
- ii. M/s Maharashtra State Electricity Transmission Company Ltd.

4. Key Management Personnel

Sr. No.	Designation	Key Management Personnel Name	With effect from
1	Chairman & Managing Director	Shri. Bipin Shrimali	05.01.2015
2	Director	Shri. Mukesh Khullar	04.02.2015 to 07.05.2016
3	Director (Mining)	Shri. Shyam Wardwane	14.09.2016
4	Director (O)	Shri. Vijay Singh	28.08.2013 to 28.08.2016
5	Director (O)	Shri. C. S. Thotwe	19.09.2016
6	Director (F)	Shri. J. K. Srinivasan	26.05.2014
7	Director (P)	Shri. C. S. Thotwe	28.08.2013 to 28.08.2016
8	Director (P)	Shri. V. M. Jaideo	19.09.2016

5. Independent Directors

Sr. No.	Designation	Key Management Personnel Name	With effect from
1	Director	Smt. Irawati Dan	26.06.2014
2	Director	Shri. Vishwas Pathak	21.07.2015

C. Remuneration paid to Key Management Personnel

(₹ Crores)

Sr. No.	Name of Related Party	Nature of Relationship	2016-17	2015-16
1	Mr. Bipin Shrimali	Chairman & Managing Director	0.25	0.24
2	Mr. J. K. Shrinivasan	Director (Finance)	0.33	0.30
3	Mr. C. S. Thotwe	Director (Operation)	0.32	0.35
4	Mr. Vikas Jaideo	Director (Projects)	0.29	-
5	Mr. V. P. Singh	Director (Operation)	-	0.44
6	Mr. Shyam Wardhane	Director (Mining)	0.08	-

Remuneration to Key Managerial Persons

1	Mr. A. R. Nandanwar	Executive Director	0.26	0.26
2	Mr. Vinod Bondre	Executive Director (HR)	0.10	-
3	Mr. Manoj Ranade	Executive Director (HR)	-	0.20
4	Mr. Raju Burde	Executive Director	0.24	-
5	Mr. Kailash Chirutkar	Executive Director	0.24	-
6	Mr. Satish Chaware	Executive Director	0.24	-
7	Mr. Rahul Dubey	Company Secretary	0.18	0.18

Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind As 19 - 'Employee Benefits' in the financial statement. As these employee benefits are lump sum amounts provide on the basis of actuarial valuation, the same is not included above.

D. Sitting Fee paid to Non-Executive Directors :

(₹ Crores)

Details of Meeting	Smt. Irawati Dani	Shri. Vishwas Pathak
Board	0.004	0.005
Audit Committee	0.003	0.0035
Nomination & Remuneration		0.001
Stakeholders Relationship		
Investment Committee		
CSR & SD Committee	0.002	
Total Sitting Fees Paid	0.009	0.0095

Note No. - 39

In compliance of Ind AS-27 'separate Financial Statements', the required information is as under :

Particulars	Country of In Company	Nature of Investments	Percentage of ownership interest as on		
			31.03.2017	31.03.2016	01.04.2015
M/s. Mahaguj Collieries Ltd	India	Subsidiary	60.00%	60.00%	60.00%
M/s. UCM Coal Company Ltd	India	Associates	18.75%	18.75%	18.75%
M/s. Dhopave Coastal Power Ltd	India	Subsidiary	100.00%	100.00%	100.00%
M/s. Mahagenco Ash Management Services Ltd	India	Subsidiary	100.00%	100.00%	100.00%

Note No. - 40

The net worth of following associate/subsidiaries is eroded. Hence, Management has considered following impairment in the value of Investment and accordingly, a provision has been made in the books of accounts.

Particulars	Investment including advance	Provision for Impairment
M/s. Mahaguj Collieries Limited	33.94	33.94
M/s. UCM Coal Company Limited	0.12	0.12
M/s. Dhopave Coastal Power Limited	6.31	6.31

Note No. - 40A

Outstanding balances of fellow subsidiaries at the end of financial year.

(₹ Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
MSEDCL	498.38	506.41	530.31
MSETCL	6.83	7.28	8.87

Note No. - 41**Corporate Social Responsibilities**

During the year 2016 - 17, Company has spent ₹ 9.46 Crores (2015-16: ₹ 6.20 Crores) towards Corporate Social Responsibility (CSR).

(₹ Crores)

Sr. No.	Head of Expenses	2016-17	2015-16
1	Community development and welfare expenses	3.23	2.50
2	Education expenses	0.51	0.32
3	Tree Plantation	0.00	0.02
4	Jalyukta Shivar Yojna	1.06	0.81
5	Drinking water supply & construction, repairs of tubewells, hand pumps etc	0.79	0.64
6	Construction / repair of road, compound wall, RCC drain, etc	3.86	1.91
	Total	9.46	6.20

Note No. - 42
Contingent Liabilities & Commitments

(₹ Crores)

I	Contingent Liabilities	31.03.2017	31.03.2016	01.04.2015
	MSPGCL may be contingently liable for interest claim of SECL, WCL and SCCL amounting to ₹ 109.00 Crs (P.Y. ₹ 59.54 Crs), plus performance incentive and short lifting ₹ 740.00 crs. (P.Y. ₹ 425.65 crs.)	849.00	485.19	11.34
	Arbitration between M/s. TATA Projects Ltd., and MAHAGENCO for Bhusawal 2x500 MW project is in progress. As a part of arbitration proceedings, M/s. TATA Projects has claimed ₹ 197 Crs. for prolongation and other cost.	197.46	-	-
	M/s Mahalaxmi Infra Project Ltd., Kolhapur, has made a claim towards construction of RCC lower Barage which has been challenged by the company and the matter is sub-judice at Bombay High Court. Pending the decision on the matter, company has recognised contingent liability of ₹ 178 crores (PY ₹ 151 Crs.)	178.33	151.13	128.08
	MSPGCL may be contingently liable for Counter claims lodged by Coal Washery Operator Amounting ₹ 169.01 crores (P. Y. ₹ 169.01 crores) towards supply of washed coal	169.01	169.01	285.93
	Imported Coal Suppliers have lodged claim towards change in railway freight and other charges. The matter is in arbitration, hence pending the decision company has recognised contingent liability of ₹ 127 Crs. (PY ₹ 52 Crs.)	127.45	52.41	11.77
	Company has recognised Contingent liabilities of approx ₹ 103.20 Crores (P.Y. ₹ 97.42 crores) towards demand of Irrigation Dept. for water supplied at Shiral Pump House and given to Ratnagiri Power & Gas Ltd.	103.20	97.49	71.97
	Other miscellaneous claims lodged against the company but not acknowledged as debt	223.11	263.57	760.80
	Total Claims	1,847.56	1,218.81	1,269.88
	Tax Demands Outstanding and disputed by the company	66.84	112.11	111.04
	Guarantees extended by the company	803.77	743.98	422.08
	Total Contingent Liabilities	2,719.96	2,074.90	1,803.01
II	Commitments			
A	Estimated amount of contracts remaining to be executed on Capital Account not provided for	344.14	739.45	1763.11

Note No. - 43

Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are produced herein below :

(In ₹)

Particulars	SBNs (Old 500 & 1000 Denomination Currency Notes)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	246,000.00	137,664.50	383,664.50
(+) Permitted receipts	450,000.00	6,624,061.00	7,074,061.00
(-) Permitted payments	44,000.00	5,626,020.50	5,670,020.50
(-) Amount deposited in Banks	652,000.00	845,808.00	1,497,808.00
Closing cash in hand as on 30.12.2016	-	289,897.00	289,897.00

Note No. - 44**Classification of Financial Assets and Financial Liabilities :**

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost.

The following table shows the carrying amount

(₹ Crores)

Particulars	31.03.2017				31.03.2016				01.04.2015			
	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost
Financial assets												
(i) Trade Receivables			10,671.93	10,671.93			10,890.50	10,890.50			10,352.05	10,352.05
(ii) Cash and Cash Equivalents			34.06	34.06			144.33	144.33			90.26	90.26
(iii) Bank Balances other than (ii) above			-	-			-	-			-	-
(iv) Loans			54.40	54.40			410.06	410.06			143.15	143.15
(v) Other Financial Assets			2,140.32	2,140.32			1,230.90	1,230.90			858.06	858.06
Total	-	-	12,900.70	12,900.70	-	-	12,675.79	12,675.79	-	-	11,443.52	11,443.52
Financial liabilities												
(i) Borrowings			33,317.20	33,317.20			32,194.47	32,194.47			30,676.32	30,676.32
(ii) Trade Payables			1,706.39	1,706.39			1,256.59	1,256.59			3,971.89	3,971.89
(iii) Other Financial Liabilities			6,393.42	6,393.42			7,763.74	7,763.74			5,875.75	5,875.75
Total	-	-	41,417.01	41,417.01	-	-	41,214.80	41,214.80	-	-	40,523.97	40,523.97

Financial risk management**Risk management framework**

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has its risk management process which has been carried out at regular interval. The following is the summary of the main risks :

44.A. Regulatory risk

The company submits the annual revenue requirement to Maharashtra Electricity Regulatory Commission, based on these approved tariffs the company raises monthly energy bills to its customers. The tariff so determined by MERC are based on the MERC (Mutly Year Tariff) regulations which get revised periodically. These tariff are determined based on normative parameters as set out in the said regulations. Any change in the normative parameters or guding regulatory provisions will have impact on the income from sale of the power of the company.

44.B. Company has identified financial risk and categorised them in three parts

(i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category and how Company manages the risk is explained in following notes :

44.B.1 Credit risk ;

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its

estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Company works out the expected credit losses of trade receivables (which are considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables. The trade receivables refer to receivables against supply of power to MSEDCL, being fellow subsidiary and sovereign entity, no credit risk has been envisaged. The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables :

(₹ Crores)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Past due 0-180 days	7,725.08		7,665.49		7,947.14	
Past due 180-360 days			1,039.26		2,701.39	296.48
More than 360 days	3,740.66	793.81	2,701.39	515.65		
	11,465.74	793.81	11,406.15	515.65	10,648.53	296.48

Note : The above excludes Unbilled revenue

The movement in the allowance for expected credit loss in respect of trade receivables during the year was as follows:

(₹ Crores)

Balance as at 01.04.2015	296.48
Add : Expected Credit loss recognised	219.17
Less : Amounts written off	-
Balance as at 31.03.2016	515.65
Add : Expected Credit loss recognised	278.16
Less : Amounts written off	-
Balance as at 31.03.2017	793.81

Cash and cash equivalents :

(₹ Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Cash and cash equivalents	34.06	144.33	90.26

44.B.2. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Company has an adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic credit rating from reputed credit rating agencies enables access of funds from domestic market. It's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. Mahagenco diversifies its capital structure with a mix of financing products across varying maturities and currencies. The financing products include, buyer's credit loan, clean & secured domestic Term loan (and Foreign Currency Loans on back to back arrangement basis through Government of India and Government of Maharashtra etc.). Mahagenco taps domestic as well as foreign financial institutions like IBRD & KFW from time-to-time to ensure appropriate funding mix and diversification of geographies.

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ Crores)

Contractual cash flows									
Particulars	31.03.2017			31.03.2016			01.04.2015		
	Upto 1 Year	1-3 Years	More Than 3 Years	Upto 1 Year	1-3 Years	More Than 3 Years	Upto 1 Year	1-3 Years	More Than 3 Years
Non-derivative financial liabilities									
Borrowings	11,047.76	7,060.01	17,437.93	12,645.14	6,493.02	16,261.49	6,954.82	9,211.07	15,426.22
Trade payables	1,706.39			1,256.59			3,971.89		
Other financial liabilities	6,393.42			7,763.74			5,875.75		
Total	19,147.57	7,060.01	17,437.93	21,665.47	6,493.02	16,261.49	16,802.47	9,211.07	15,426.22

44.C.3 Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk :**44.C.3.1. Currency risk :**

The Company is exposed to currency risk mainly on account of its borrowings from KfW Germany and IBRD (World Bank) in foreign currency. Our exposures are denominated in Euro and U.S. dollars. However, Company operates in rate regulatory environment. Consequently, any variation in the foreign exchange rate is allowed to be recovered from consumers at actuals. Hence, company doesn't have significant risk on account of variation in foreign currencies.

44.C.3.2 Interest rate risk

Interest rate risk exposure :

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Carrying amount in ₹ crores		
	31.03.2017	31.03.2016	01.04.2015
Fixed-rate instruments			
Financial assets	-	-	-
Financial liabilities	658.71	874.38	795.84
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	34,886.98	34,525.28	30,796.27

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ Crores)

Particulars	Profit or loss					
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2017		31.03.2016		01.04.2015	
Floating rate borrowings	87.22	(87.22)	86.31	(86.31)	76.99	(76.99)
Interest rate swaps (notional principal amount)	-	-	-	-	-	-
Cash flow sensitivity (net)	87.22	(87.22)	86.31	(86.31)	76.99	(76.99)

44.C.3.3. Commodity Risk

Company operates in rate regulatory environment. Company's cost comprises mainly of coal cost. Any variation in the coal cost is allowed to be recovered from consumers at actuals subject to performance parameters to be achieved. Hence, company doesn't have significant risk on account of variation in coal price.

Note No. - 45

Leases

Operating Lease

A. Leases as lessee

- a) The Company enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Company considers it to be more representative of time pattern of benefits flowing to it. The lease rentals paid for the same are charged to the Statement of Profit and Loss.

The future minimum lease payments and payment profile of non-cancellable (Hydro Plant Leases) operating leases are as under :

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows :

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Less than one year	452.08	452.10	452.08
Between one and five years	1,812.73	1,809.84	1,809.08
More than five years	7,326.60	7,781.57	8,234.41
Total	9,591.41	10,043.51	10,495.57

ii. Amounts recognised in profit or loss

(₹ Crores)

Particulars	31.03.2017	31.03.2016
Lease expense	452.10	452.08

Ascertainment of Lease in the Power Purchase Arrangement :

The company has entered into the power purchase agreement with MSEDCL. The significant output of power generated from the Company's plants is sold to MSEDCL. Hence company tested the said power purchase arrangement in terms of Appendix C to Ind AS 17 so as to determine whether the arrangement contains element of lease. It is revealed that the arrangement conveys the right to use the assets to MSEDCL, however, the losses arising out of non-maintenance of availability of power plant for power generation are borne by Mahagenco. Accordingly, there is no transfer of risks & rewards to MSEDCL to this extent. Consequently, the arrangement does not satisfy the criteria of financial lease.

Note No. - 46

Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

I. Profit attributable to Equity holders

(₹ Crores)

Particulars	31.03.2017	31.03.2016
Profit attributable to equity holders for basic earnings per share	(587.97)	1,334.76
Profit attributable to equity holders for diluted earnings per share	(587.97)	1,334.76

ii. Weighted average number of ordinary shares

Particulars	31.03.2017	31.03.2016
Number of Equity shares as at	24,855,412,926	9,046,293,122
Weighted average number of shares for basic and diluted earnings per shares	24,855,412,926	9,046,293,122
Basic and Diluted earnings per share (Rupees)	(0.24)	1.48

Note No. - 47

Capital management

The Company's policy is to maintain a strong capital base so as to maintain shareholder's confidence and to sustain future development of the business. Management monitors the return on capital.

The Company monitors capital using debt equity ratio. The Company's debt to equity ratio at March 31, 2017 is as follows.

Particulars	31.03.2017	31.03.2016	01.04.2015
Long term borrowings (₹ Crores)	24,497.94	22,754.51	24,637.29
Equity share Capital (₹ Crores)	24,854.34	24,098.36	8,057.28
Debt to Equity ratio	0.99	0.94	3.06

Note No. - 48

Dividends

The Company has not declared dividend so far.

Note No. - 49

First-time adoption of Ind AS**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

For the year ended 31.03.2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014, notified under Section 133 of the Companies Act 2013 and other relevant provisions of the Act ('IGAAP').

The accounting policies set out have been applied in preparing the Financial Statements for the year ended 31.03.2016 onwards and the opening Ind AS Balance Sheet on the date of transition (i.e. 01.04.2015).

In preparing its Ind AS Balance Sheet as at 01.04.2015 and in presenting the comparative information for the year ended 31.03.2016, the Company has adjusted amounts previously reported in the Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Company in restating its Financial Statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows.

A. Exemptions and exceptions availed

In preparing the Financial Statements, the Company has availed the below mentioned optional exemptions and mandatory exceptions.

A.1 Optional exemptions**A.1.1 Property, Plant and Equipment and Intangible Assets**

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as at the date of transition to Ind ASs, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 April 2015).

A.1.2 Investment in Subsidiaries, Joint Ventures and Associates

The Company has availed the exemption available under Ind AS 101 to measure its investments in subsidiaries, joint venture and associates as the IGAAP carrying value as deemed cost as on 1 April 2015.

A.1.3 Business Combination

The company has availed the exemption of not applying IND AS - 103 retrospectively to all business combinations that have happened in the past.

A.1.4 Leases :

The Company has availed the exemption available under Ind AS 101 to determine whether an arrangement existing at the date of transition to Ind-ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind-AS except where the effect is expected to be not material.

A.1.5 Fair value measurement of financial assets or financial liabilities at initial recognition

The Company has availed the exemption available under Ind AS 101 to determine Fair value measurement of financial assets or financial liabilities at initial recognition prospectively.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with IGAAP. Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

- Investment in equity instruments carried at cost or FVTPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

As permitted under Ind AS 101, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

A.2.3 Impairment of financial assets

As permitted under Ind AS 101, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, impairment of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B Reconciliations between previous GAAP and Ind AS

B.1. Reconciliation of Balance Sheet as at 31 March 2016 and 1 April 2015 (date of transition) :

(₹ Crores)

Particulars	31.03.2016			01.04.2015		
	IGAAP*	Ind as Adjustment	Ind as	IGAAP*	Ind as Adjustment	Ind as
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	27,654.90	7.89	27,662.81	18,241.82	4,965.21	23,207.01
Capital Work-in-Progress	17,434.69	-	17,434.69	20,568.60	-	20,568.60
Intangible Assets	16.17	-	16.17	16.16	-	16.16
Intangible assets under development	-	-	-	-	-	-
Financial Assets :						
Investment in Subsidiaries, Joint Ventures and Associates	0.11	33.59	33.70	0.16	46.18	46.34
Trade Receivables	3,740.66	(515.65)	3,225.01	2,701.39	(296.48)	2,404.91

Loans	-	-	-	-	-	-
Other Non-Current Assets	494.41	542.23	1,036.64	1,021.23	466.21	1,487.44
Total Non Current Assets	49,340.94	68.06	49,409.01	42,549.34	5,181.12	47,730.45
Current assets						
Inventories	1,902.51	-	1,902.51	1,423.16	-	1,423.16
Financial Assets	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Trade Receivables	7,665.49	-	7,665.49	7,947.14	-	7,947.14
Cash and Cash Equivalents	144.33	-	144.33	90.26	-	90.26
Bank Balances other than (iii) above	-	-	-	-	-	-
Loans	443.66	(33.59)	410.06	189.33	(46.18)	143.15
Others Financial Assets	1,230.90	-	1,230.90	858.06	-	858.06
Current Tax Assets (Net)	-	-	-	-	-	-
Other Current Assets	1,575.18	-	1,575.18	1,605.58	-	1,605.58
	12,962.07	(33.59)	12,928.48	12,113.53	(46.18)	12,067.35
Assets classified as held for Sale / Disposal	134.17	-	134.17	46.46	-	46.46
Total Current Assets	13,096.24	(33.59)	13,062.65	12,160.00	(46.18)	12,113.82
Total Assets	62,437.18	34.47	62,471.65	54,709.33	5,134.94	59,844.27
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	24,098.36	-	24,098.36	8,057.28	-	8,057.28
Other Equity	(5,856.88)	168.60	(5,688.27)	3,130.00	5,167.89	8,297.89
Total equity	18,241.48	168.60	18,410.08	11,187.28	5,167.89	16,355.17
Liabilities						
Non Current Liabilities						
Financial Liabilities						
Borrowings	22,754.51	-	22,754.51	24,637.29	-	24,637.29
Other Financial Liabilities	-	-	-	-	-	-
Provisions	803.37	-	803.37	838.43	-	838.43
Deferred Tax Liabilities (Net)	1,524.27	9.03	1,533.31	1,471.69	57.69	1,529.38
Other Non-Current Liabilities	240.79	(17.04)	223.75	204.96	1.34	206.29
Total Non Current Liabilities	25,322.94	(8.01)	25,314.94	27,152.36	59.03	27,211.39
Current Liabilities						
Financial Liabilities						
Borrowings	9,439.96	-	9,439.96	6,039.03	-	6,039.03
Trade Payables	1,382.57	(125.98)	1,256.59	4,063.73	(91.84)	3,971.89
Other Financial Liabilities	7,763.88	(0.15)	7,763.74	5,875.90	(0.15)	5,875.75
Other Current Liabilities	31.13	-	31.13	31.17	-	31.17
Provisions	255.22	-	255.22	359.86	-	359.86
Current Tax Liabilities (Net)	-	-	-	-	-	-
Total Current Liabilities	18,872.76	(126.12)	18,746.64	16,369.69	(91.98)	16,277.71
Total Equity and Liabilities	62,437.18	34.47	62,471.65	54,709.33	5,134.94	59,844.27

*IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B.2. Reconciliation of Equity as at 31 March 2016 and 1 April 2015 :

(₹ Crores)

Particulars	Note	31.03.2016	01.04.2015
Net worth under IGAAP - (A)		18,241.48	11,187.28
Summary of Ind AS adjustments :			
Provision for depreciation (Govt Grant Assets)	B.2.1	(0.46)	
Depreciation on Assets w.r.t Trifurcation order	B.2.2		(9,045.03)
Fair value of Disposed Assets written off w.r.t. Trifurcation order	B.2.2		(1,108.87)
Unused Government Grant balance written off	B.2.7	0.15	0.15
Amortization of Govt Grant	B.2.7	0.46	-
Capital / Government Grant	B.2.7	25.55	7.63
Impairment of trade receivables - expected credit loss method	B.2.4	(515.65)	(296.48)
Lease rentals as per Straight Line Method	B.2.5	563.73	477.98
CSR Expenditure capitalized written off	B.2.6	(0.61)	(0.61)
Performance incentives	B.2.8	125.98	91.84
Share Application money pending allotment	B.2.2	-	15,110.76
Impairment of advance for wani Sawangi Water Supply scheme	B.2.10	(21.50)	(11.77)
Deferred tax	B.2.11	(9.03)	(57.69)
Total Ind AS adjustments - (B)		168.60	5,167.89
Net worth under Ind AS - (A + B)		18,410.08	16,355.17

B.3. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2016 :

(₹ Crores)

Particulars	2015 - 16		
	IGAAP*	Ind AS Adjustment	Ind AS
Revenue			
Revenue From Operations			
Sale of Power	18,237.26	0.00	18,237.26
Other Operating Revenues	1,056.16	-	1,056.16
	19,293.42	0.00	19,293.42
Other Income	103.64	69.09	172.73
Total Income	19,397.06	69.09	19,466.15
Expenses			
Cost of Materials Consumed	11,375.16	(57.44)	11,317.72
Employee Benefits Expense	1,268.34	(52.42)	1,215.92
Finance Costs	2,008.21	(5.71)	2,002.49
Depreciation & Amortization Expense	1,275.72	358.08	1,633.79
Other Expenses	1,732.48	206.60	1,939.09
Total Expenses	17,659.91	449.10	18,109.01
Profit Before exceptional items and Tax	1,737.15	(380.01)	1,357.14
Exceptional Items	10,479.20	(10,479.20)	-
Profit Before Tax	(8,742.04)	10,099.18	1,357.14
Tax expense :			
Current tax			
Deferred tax	52.58	(48.66)	3.92
Provision for Tax for Earlier years written back (net)			
Tax Expenses	(8,794.62)	10,147.84	1,353.22
Profit/(loss) for the period			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurements of the defined benefit plans;		(54.29)	(54.29)
Income tax relating to items that will not be reclassified to profit or loss			
Other Comprehensive Income for the year, net of tax	-	(54.29)	(54.29)
Total Comprehensive Income for the year, net of tax	(8,794.62)	10,093.55	1,298.93

*IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B.4. Reconciliation of Statement of Profit and Loss for the period ended 31 March 2016 :

(₹ Crores)

Particulars	2015-16	
Profit for the year as per IGAAP	A	(8,794.62)
		-
Summary of Ind AS adjustments :		-
Lease rentals as per Straight Line Method	B.2.5	85.75
Amortization of Govt Grant	B.2.7	0.46
Extra ordinary Depreciation written off w.r.t. Trifurcation order	B.2.2	9,411.37
Extraordinary item written off w.r.t. Trifurcation order	B.2.2	1,108.87
Write back of performance incentive	B.2.8	34.14
Provision for depreciation w.r.t Govt Grant Assets)	B.2.1	(0.46)
		-
Depreciation for the year 2015-16 for Assets w.r.t. trifurcation order	B.2.2	(366.34)
Impairment of trade receivables - expected credit loss method	B.2.4	(228.90)
CSR Expenditure capitalized written off		-
Defined Benefit Obligation		-
Deferred Tax impact of Ind AS Adjustments	B.2.11	48.66
Total Ind AS adjustments	B	10,093.55
Profit for the year as per Ind AS	A+B	1,298.93

B.5. Statement of Cash Flows

The transition from IGAAP to Ind AS has not made a material impact on Statement of Cash Flows.

Notes to the Equity reconciliation :**B.2.1 Property, Plant and Equipment**

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as at the date of transition to Ind ASs, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 April 2015).

Under IGAAP, the Company has accounted certain Property, Plant & Equipment net of related Government grant. As per Ind AS 20, the carrying amount of such Property, Plant & Equipment have been increased by related government grant.

Consequently, there is also an increase in the amount of depreciation charged to the Statement of Profit and Loss. Note

B.2.2. Impact of Maharashtra Electricity Reforms Transfer Scheme, 2016 :

MSPGCL came into existence as a part of restructuring of erstwhile MSEB vide notification dated 05-06-2005. As a part of this scheme, the assets and liabilities of MSEB got vested with the Government of Maharashtra and re-vested to newly created companies including MSPGCL. The said transfer scheme was provisional in nature. Subsequently, vide GR dated 31-03-2016, Government of Maharashtra issued Amendment in Transfer Scheme with revised values of fixed assets on one hand and consequent increase in equity share capital on another hand. As per Clause 3 of the GR, "Maharashtra Electricity Reforms Transfer Scheme, 2005" is amended and clause 10A is inserted in respect of Asset Valuation. As per this clause, "The transfer of the Fixed Assets hitherto held by the Maharashtra State Electricity Board and taken over by the Government of Maharashtra in terms of the Government notification shall be considered to have been transferred to the respective transferees at the market value prevailing on 05-06-2005".

As per this scheme the net fixed assets value of the Company as on 05-06-2005 has been increased from ₹ 3,566 Crores to ₹ 18,677 Crores resulting into increase in the value of Net fixed assets by ₹ 15,111 Crores and allotment of equity share capital of the equivalent amount to MSEB Holding Company Limited. As 2015 being a transitional period the Balance sheet as on 01-04-2015 is restated by giving impact of this event. Subsequently, ₹ 15,111 Crores is shown in share application money pending allotment since the allotment of the same is made in 2016. Accordingly, the Gross value of individual assets have been increased by ₹ 15,111 Crores in the proportion of

respective gross value as on 05-06-2005 & the year wise depreciation is calculated on revised value of individual assets till 01-04-2015 & given effect of the same. This resulted in increase in depreciation amounting to ₹ 9,045 Crores in 2015. Further, the assets which were present as on 05-06-2005 & has been written-off during subsequent years, the revised value of such assets amounting to ₹ 1,109 Crores has also been written-off as on 01-04-2015. Both the above items had been presented as extra ordinary items in F.Y. 2015-16 which was reversed under retained earning as the balance sheet as on 01-04-2015 was restated & the balance of extraordinary item i.e. depreciation pertaining F.Y. 2015-16 was carried under the head depreciation for the year in F.Y. 2015-16 through Statement of Profit & Loss.

B.2.3. Investment in Subsidiaries and Joint Venture

Under IGAAP, investment in subsidiaries and joint venture were carried at its Cost. The Company has availed the exemption available under Ind AS 101 to measure its investments in subsidiaries and joint venture as of the IGAAP carrying value as deemed cost as on 1 April 2015.

B.2.4. Trade Receivables

Under IGAAP, the Company recognised provision on Trade Receivables based on specific provisions to reflect the Company's expectation. Under Ind AS, impairment of Trade Receivables shall be recognised based on Expected Credit Loss.

Accordingly, Company has recognised impairment loss on Trade Receivables at transition date in Opening Retained Earnings and in Statement of Profit and Loss for Financial Year 2015 - 16.

B.2.5. Lease on Straight Line Method Basis

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

B.2.6. CSR Expenditure

Expenses incurred on CSR and capitalized at Chandrapur Thermal Power Station, was not meeting the Property, Plant and Equipments criteria as per Ind AS 16, hence, the same has as sets been written-off as on 01.04.2015.

B.2.7. Capital Government Grants

Under the previous GAAP, Capital grant related to Property, plant and equipments were presented as a reduction from cost of respective Capital assets. However as per Ind AS, the same is presented as 'Deferred Government Grant' under the head liability. The deferred grant revenue is released to the Statement of Profit or Loss over the expected useful life of the underlying asset.

B.2.8. Prior Period Items :

The company has restated the financial statements of previous year in case the total amount of Income / expenditure (Net) pertaining to previous year is more than threshold limit. Performance incentive write back being prior period item, the effect of the same has been accorded in FY 2015-16.

B.2.9. Actuarial gains / (losses)

Both under the previous GAAP and Ind AS, the Company recognised costs related to its post employment defined benefit plans on an actuarial basis. Under previous GAAP the entire cost, including actuarial gains and losses are charged to the Statement of Profit and Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income and the corresponding tax effect is also given in Other Comprehensive Income. However, this has no impact on the total comprehensive income and total Equity as on 1 April 2015 as well as 31 March 2016.

B.2.10 Impairment of Financial asset i.e. Advance for Water Supply Scheme :

Advance was given to Executive Engineer, Water Resource Department, Government of Maharashtra for Wani Sawangi Water Supply Scheme at Parli TPS,, the said scheme has been suspended subsequently. As the amount is recoverable & falls under the category of Financial asset, tested for impairment and time value provision has been made against the said advance.

B.2.11. Deferred tax assets / (liabilities) (net)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on Ind AS adjustments which was not required under Indian GAAP.

The table below summaries the deferred tax impact of adjustments considered on transition to Ind AS :

Particulars	31.03.2016	01.04.2015
Lease rent receivable	29.15	162.47
Impairment on water supply advance	(3.31)	(4.00)
Deferral of sales	-	-
Trade receivables	(74.49)	(100.77)
Deferred tax on capitalization of exchange differences*	-	-
Others		
Tax Expense / (Income)	(48.66)	57.69

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHARASHTRA STATE POWER GENERATION CO. LTD

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Consolidated Ind AS financial statements of **MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group")**, which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS 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 Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules 2015 under Section 133 of the Act.

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 the assets of the group 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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 consolidated Ind AS financial statements. presentation of the standalone Ind AS financial statements.

Basis for Qualified Opinion

4. *The Holding 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 ₹ 1,506.67 crores under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to ₹ 5,247.33crores outstanding as on March 31, 2017 including such accrued income of earlier years. Considering the non-acceptance of billing by MSEDCL, there is uncertainty in the recoverability of the said dues from Maharashtra State Electricity Distribution Company Limited (MSEDCL).*
5. *In case of Holding Company, the balances of loans and advances, deposits and trade payables are subject to confirmation from respective parties and / or reconciliation as the case may be. Pending such confirmation and reconciliation, the consequential adjustments are not 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, if any, for a specific account 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 loss for the year of the Holding Company.*

Qualified Opinion

6. *Subject to (i) and (ii) below, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Group as at March 31, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.*
- (i) *In view of para 4 above Basis for Qualified Opinion, had Surcharge being interest on delayed payment not been accrued, provision for allowance for expected credit loss been not made, Booking of earlier years delayed payments surcharge on account of recovery has ceased to be probable been done as an expense, the effect of the matters which could be determined / quantified, on the elements of the accompanying financial statements are tabulated as under :*

(Amount in ₹ Crores)

Sr. No.	Head of Account	Group	Overstated	Understated
1	Delay payment surcharge - Other operating Revenue	Income	1,506.67	-
2	Reversal of earlier years delayed payments surcharge on account of recovery has ceased to be probable	Expenses	-	3,740.66
3	Trade Receivables	Non current assets	5,247.33	-
4	Allowance for expected credit loss -	Expenses	696.32	-
5	Reduction from Non current - Trade receivable	Trade receivable - Non current		696.32
6	Net Impact on retained earning	Other equity	4,551.01	

and ;

- ii) *In view of para 5 above Basis for Qualified Opinion, the effect of which on the Loss for the year and net assets as at March 31, 2017 is unascertainable.*

Emphasis of Matters :

7. We draw attention to following notes :

Holding Company : Maharashtra State Power Generation Co. Ltd.

- a) Note no. 29(B) regarding accounting of shortfall/excess if any, based on the provisional accounts of the Contributory Provident Fund (CPF), in the absence of the requisite details and information.
- b) Note no. 45 regarding agreements with the government of Maharashtra in respect of various hydro power generation facilities that are yet to be executed.

Subsidiary Company : Mahaguj Collieries Limited

- c) We would like to draw attention to Note No. 1.1 of Significant Accounting Policies in Notes to Accounts regarding the Ind AS financial statements being prepared on a going concern basis, notwithstanding the fact that the company has a loss of ₹ 87,04,170/- in financial year 2016-17 and negative reserves of ₹ 2,07,38,599/- has exceeded its share capital and is completely eroded as at March 31, 2017. The appropriateness of the said basis is inter alia dependent on the fact that the company will get the compensation from the Ministry of Coal, Government of India after the block is re-allotted to new allottee of the Machhakatta-Mahanadi coal block (previously allotted to the promoters of the company) for transfer of documents and rights namely geological report, mining plan, mine closure plan, etc as per the compensation that may be decided by the Ministry of Coal, Govt. of India.

Subsidiary Company : Dhopave Coastal Power Limited :

- d) The accounts of the company are not prepared on Going Concern Basis as the Management has decided to close down the Company. The Company has accordingly, provided for loss on account of Capital Work - in - Progress and Advance for Consultancy Charges during financial year 2015 - 2016 to the tune of ₹ 8,29,00,738. Attention is invited to note no 2.1 of Summary of Significant Accounting Policies which clarifies the matter in more detail.

Other Matters

- 8. The financial information of the Holding Company and Its subsidiaries for the year ended March 31, 2016 and the transitiondate opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (AccountingStandards) Rules, 2006 (as amended) which were audited by us, on which we expressed a modified opinion dated September 3, 2016 and September 23, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.
- 9. We did not audit the financial statement of the subsidiaries of the Company, whose financial statement reflect total assets of ₹ 63.01crores and revenue of ₹ 0.0143crores. 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 Ind AS 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 Ind AS financial statements, and our report on Other Legal and Regulatory Requirement below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

- 10. As required under Section 143(5) of the Companies Act, 2013, we give in the "Annexure I", 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 consolidatedInd AS financial statements of the company.
- 11. As required by the section 143 (3) of the Act, we report that:
 - a. we have sought and, *except for the possible effect of the matter described in para 4 and 5 above relating to the basis for qualified opinion*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, *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 Holding Company and its Subsidiary Companies

so far as it appears from our examination of those books;

- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. *Subject to our observations in para 4 above*, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder;
- e. Being a Government Company, pursuant to the notification number GSR 463(E) dated 5th June, 2015 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 adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure II**”; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements Refer Note 42 to the consolidated Ind AS financial statements.
 - ii. The Group does not have any long-term contracts which require it to make provision for material foreseeable losses. Also, the Group 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 Group.
 - iv. Disclosures in respect of bank deposits made by the company as a part of Note no. 43 of its consolidated Ind AS financial statements as to holding as well as dealing in Specified Bank Notes (SBN's) during the period from November 8, 2016 to December 30, 2016 were in accordance with books of accounts maintained by the Company and its subsidiaries. Other disclosures such as 'Opening Balances', 'Permitted Receipts & Payments' & its concomitant impact on the closing balances could not be verified since satisfactory evidences/documentation that would support the breakup of currency notes into 'SBN' and 'Other denomination' was not available with the holding company.

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 U. M. Jain
Partner
ICAI M.No. 070863

CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place : Mumbai
Date : September 25th, 2017

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2017.

- 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 : Maharashtra State Power Generation Co. Ltd.

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

Subsidiary Company : Mahaguj Collieries Limited :

The Company has not been selected for disinvestment, so the complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including Committed & General Reserves), including the mode and present stage of disinvestment process is not applicable to the Company.

Subsidiary Company : Dhopave Coastal Power Limited:

No, Company has not been selected for disinvestment.

Subsidiary Company : Mahagenco Ash Management Service Limited

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 : Maharashtra State Power Generation Co. Ltd.

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.2016-17. In Last Year(F.Y. 2015-16), the Company has received a letter from MSEB Holding Company Ltd (its parent company) to recognize in its books certain fictitious assets/liabilities lying in the books of MSEB Holding Company that belonged to the erstwhile Maharashtra State Electricity Board. The parent company has transferred these fictitious assets / liabilities to the Company and fellow subsidiaries on a certain proportionate basis without specifying the rationale thereof. The parent company has informed the Company to write off / write back these fictitious assets / liabilities. Such balances include transfer of capital reserve amounting to ₹ 260 Crores. (Company's share ₹ 39 crores) The Company has not yet recognized these unidentified assets / liabilities (net liabilities of ₹ 86 crores) and as informed to us by the Management, has sought additional details of the same from the parent company.

Subsidiary Company : Mahaguj Collieries Limited:

There were no cases of waiver / write off of debts / loans / interest etc during the year under audit.

Subsidiary Company : Dhopave Coastal Power Limited:

During the course of audit and as per information and explanations given to us, there were no cases of any cases of waiver/ write off of debts/loans/interest etc. by the company during FY 2016 - 2017.

Subsidiary Company : Mahagenco Ash Management Service Limited

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 : Maharashtra State Power Generation Co. Ltd.

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 or other authorities during the year.

Subsidiary Company: Mahaguj Collieries Limited:

There is no inventory lying with third parties and the company has not received assets as gifts from government or

other authorities.

Subsidiary Company : Dhopave Coastal Power Limited:

Not Applicable.

Subsidiary Company : Mahagenco Ash Management Service Limited

Not Applicable, there is No Inventory.

- 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 : Maharashtra State Power Generation Co. Ltd.

Company discloses pending legal/arbitration cases as Contingent Liabilities as identified by the company. The age wise analysis of 298 pending legal/arbitration cases given below:

Age of Cases	No. of Cases
Less than 1 year	34
1 to 2 Years	37
2 to 3 Years	16
3 to 5 Years	37
More than 5 Years	164
Others unattended	10
Total	298

Due to unavailability of relevant information from the Company, including details of reasons of pendency for all the cases, we are not able to comment upon the effectiveness of monitoring mechanism for expenditure on all legal cases and reasons of pendency

Subsidiary Company : Mahaguj Collieries Limited :

Report on age-wise analysis of pending litigations/arbitration cases, including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) to be given

Subsidiary Company : Dhopave Coastal Power Limited :

Not Applicable.

Subsidiary Company : Mahagenco Ash Management Service Limited

Not Applicable

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

- 5) 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 : Maharashtra State Power Generation Co. Ltd.

Yes. The company has the system for reconciliation of quantity/quality of coal ordered and received. However, the current process needs to be strengthened. Till September first week, claim for coal grade slippage has been made on the basis of coal grade differences observed at loading end by such technical analyst and suppliers' representatives jointly vis-à-vis Grade allocated to Colliery. Post that, Company has appointed recognized coal Analyst Company i.e. Central Institute of Mining and Fuel Research (CIMFR). CIMFR do technical analysis of Coal Grade from the loading points of the coal Company. On the basis of the analysis report submitted by CIMFR, SE Coal office reconciles grade mentioned in invoice with grade mentioned in said report and raise grade slippage claims to coal companies. This process has started on different dates in different companies.

Further, as on March 31, 2017, the amount of claim against coal suppliers by MSPGCL for short supply of coal as per agreement amounted to ₹ 1035.67 Crores. However, one of the supplier, Western Coal Field Limited (WCL), has claimed an amount of ₹ 167.41 Crores from the Company for short lifting of material. Due to non-availability of proper documentary evidence, it is difficult to reach a conclusion on correctness of the claims by either party. The Company has disclosed the claim by coal supplier as contingent liability. The Company has also not accounted for the performance incentives claimed by the same coal suppliers.

Subsidiary Company : Mahaguj Collieries Limited:

Not Applicable

Subsidiary Company : Dhopave Coastal Power Limited:

Not Applicable

Subsidiary Company : Mahagenco Ash Management Service Limited

Not Applicable

- 6) **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 : Maharashtra State Power Generation Co. Ltd.

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

Subsidiary Company : Mahaguj Collieries Limited:

Not Applicable as the Company is not in operation.

Subsidiary Company : Dhopave Coastal Power Limited:

Not Applicable

Subsidiary Company : Mahagenco Ash Management Service Limited

Not Applicable

- 7) **Whether there is appropriate classification of inventory with value such as Scrap, obsolete material etc.?**

Holding Company : Maharashtra State Power Generation Co. Ltd.

Yes. Based on the audit procedures conducted by us, the Company has appropriate system of classification of inventory.

Subsidiary Company : Mahaguj Collieries Limited:

Not Applicable

Subsidiary Company : Dhopave Coastal Power Limited:

Not Applicable as the Company is not in operation.

Subsidiary Company : Mahagenco Ash Management Service Limited

Not Applicable

- 8) **Whether profit/loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company?**

Holding Company : Maharashtra State Power Generation Co. Ltd.

Yes, the loss mentioned in Audit Report is as per Profit & Loss Accounts of the Company except for the effect if any, due to the consequential adjustment upon receipt of confirmation and reconciliation, which is unknown as mentioned in para 4 and qualification with regard to recognition of surcharge income as mentioned in para 5 of our Audit Report.

Subsidiary Company: Mahaguj Collieries Limited:

The Loss mentioned in Audit Report is as per Profit and Loss Statement of the Company

Subsidiary Company : Dhopave Coastal Power Limited:

Yes

Subsidiary Company : Mahagenco Ash Management Service Limited

Yes

- 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 : Maharashtra State Power Generation Co. Ltd.

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.

Subsidiary Company : Mahaguj Collieries Limited:

Not Applicable

Subsidiary Company : Dhopave Coastal Power Limited:

Not Applicable as the Company is not in operation.

Subsidiary Company : Mahagenco Ash Management Service Limited

Not Applicable

- 10) **Whether the Company has an effective system for recovery of Revenue as per contractual terms and the Revenue is properly accounted for in the books of accounts in compliance with the Applicable Accounting Standards?**

Holding Company : Maharashtra State Power Generation Co. Ltd.

Not Applicable

Subsidiary Company : Mahaguj Collieries Limited:

Not Applicable

Subsidiary Company: Dhopave Coastal Power Limited:

Yes

Subsidiary Company : Mahagenco Ash Management Service Limited

Yes. It has only Interest on small Investments as Revenue

- 11) **Where Land Acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases? The cases of deviation may please be detailed.**

Holding Company : Maharashtra State Power Generation Co. Ltd.

Not Applicable

Subsidiary Company : Mahaguj Collieries Limited:

Not Applicable

Subsidiary Company : Dhopave Coastal Power Limited:

Not Applicable as the Company is not in operation

Subsidiary Company : Mahagenco Ash Management Service Limited

Not Applicable

- 12) **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 : Maharashtra State Power Generation Co. Ltd.

Not Applicable

Subsidiary Company : Mahaguj Collieries Limited :

Not Applicable

Subsidiary Company : Dhopave Coastal Power Limited:

Not Applicable as the Company is not in operation

Subsidiary Company : Mahagenco Ash Management Service Limited

Not Applicable

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 U. M. Jain

Partner

ICAI M.No. 070863

CA Ashutosh Pednekar

Partner

ICAI M No. 041037

Place : Mumbai

Date : September 25th, 2017

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Maharashtra State Power Generation Company Limited ("the Holding Company") as of March 31, 2017 and its subsidiary companies as of that date. The auditors of subsidiary companies have audited the internal financial controls over financial reporting as of March 31, 2017

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion/Disclaimer of Opinion

- A. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in case of holding company, Maharashtra State Power Generation Co. Ltd as at March 31, 2017.
 - (1) The Company's internal financial control over timely capitalization of fixed assets and adjustment of liquidated damages in the fixed assets accounting are not operating effectively. These material weakness could potentially result is material misstatement in Company's fixed assets, CWIP, depreciation and expenses.
 - (2) The Company's internal financial control over procurement and accounting of coal and other material, maintenance of subsidiary records pertaining to employees and stores, timely adjustments of advances to suppliers and provision for liabilities including interest payments to MSME vendors are not operating effectively. Controls over calculation and accounting of the late delivery and short supply penalties to supplier of coal are inadequate. These material weaknesses may result in incorrect valuation of liabilities and assets of the Company.
 - (3) The Company's internal financial control over maintenance of Inventory records, reconciliation with financial ledger and valuation of Inventory are not operating effectively. These material weakness could potentially result is misstatement of inventory value.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

B. In case of one of the subsidiary company not audited by us, the auditors have reported as under:

According to information and explanation given to us, the Company has not established internal financial controls over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2017.

Qualified opinion

Being the Government undertaking, the holding company's internal control process over financial reporting is designed by way of various Manuals, Rules, Circulars and instructions issued from time to time and our opinion is based on the internal control process over financial reporting as defined there in. During the course of our audit of financial statements, we have on test-checking basis and on review of adequacy of internal control process over financial reporting, have identified some gaps both in adequacy of design of control process and its effectiveness which have been reported in "Basis of Qualified Opinion" above.

In our opinion, with a exception of the matters described in para above and except for the effects/possible effects of the material weaknesses described in "Basis of Qualified Opinion" above on the achievement of the objectives of the control criteria, the Holding Company has maintained, in all material respects, adequate internal financial controls over financial

reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017. The Holding Company is yet to formally establish criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

In case of one subsidiary company, Mahaguj Collieries Limited because of the reason stated in para B under the basis for disclaimer of opinion, the auditor has stated as under:

We are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2017.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company and our disclaimer does not affect our opinion on the financial statements of the Company.

In case of other Subsidiary Company, Dhopave Coastal Power Limited the auditors have opined as under:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 consolidated Ind AS financial statements of the Company and subject to the matters modified in our main audit report, these material weaknesses do not affect our qualified opinion on the consolidated Ind AS financial statements of the Company.

For Borkar & Muzumdar
Chartered Accountants
FRN: 101569W

For Ummed Jain & Co
Chartered Accountants
FRN: 119250W

For MP Chitale & Co
Chartered Accountants
FRN: 101851W

CA Devang Vaghani
Partner
ICAI M No. 109386

CA U. M. Jain
Partner
ICAI M.No. 070863

CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place : Mumbai

Date : September 25th, 2017

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (CIN - U40100MH2005SGC153648)
Consolidated Balance Sheet as at 31st March, 2017

(₹ Crores)

	Notes	31.03.2017	31.03.2016	01.04.2015
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	1	42877.97	27662.81	23207.03
(b) Capital Work-in-Progress	2	1209.39	17336.46	20591.15
Less:- Provision for obsolescence		(32.25)	(22.55)	(14.32)
Net Capital work in progress		1177.14	17313.91	20576.83
(c) Intangible Assets	1A	12.22	16.17	16.16
(d) Intangible assets under development	2	129.77	120.78	0.00
(e) Financial Assets				
(i) Investment in Subsidiaries and Associates	3	(40.32)	(6.20)	0.11
(ii) Trade Receivables	4	3044.34	3225.01	2404.91
(f) Other Non-Current Assets	5	1079.91	1091.05	1541.85
Total Non Current Assets		48,281.02	49,423.52	47,746.88
(2) Current Assets				
(a) Inventories	6	1413.70	1902.51	1423.16
(b) Financial Assets				
(i) Trade Receivables	7	7627.60	7665.49	7947.14
(ii) Cash and Cash Equivalents	8	34.08	144.35	90.31
(iii) Loans	9	54.40	410.06	143.15
(iv) Other Financial Assets	10	2140.50	1231.07	865.27
(c) Other Current Assets	11	2038.68	1575.19	1605.61
(d) Assets classified as held for Sale / Disposal	1B	290.50	134.17	46.46
Total Current Assets		13,599.46	13,062.84	12,121.11
Total Assets		61,880.48	62,486.36	59,867.99
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	24854.36	24098.38	8057.30
(b) Other Equity	13	(6665.59)	(5673.67)	8321.53
Total Equity		18,188.77	18,424.71	16,378.83
Liabilities				
(1) Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	24497.94	22754.51	24637.29
(b) Provisions	15	797.69	803.37	838.43
(c) Deferred Tax Liabilities (Net)	15A	1173.61	1533.31	1529.38
(d) Other Non-Current Liabilities	16	53.64	223.75	206.29
Total Non Current Liabilities		26,522.88	25,314.94	27,211.39
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	8819.26	9439.96	6039.03
(ii) Trade Payables	18	1706.40	1256.65	3971.90
(iii) Other Financial Liabilities	19	6393.44	7763.75	5875.80
(b) Other Current Liabilities	20	11.52	31.13	31.17
(c) Provisions	21	238.21	255.22	237.87
(d) Current Tax Liabilities (Net)	30	(0.00)	0.00	121.99
Total Current Liabilities		17,168.83	18,746.72	16,277.77
Total Equity and Liabilities		61,880.48	62,486.36	59,867.99

As per our report attached
For M P Chitale & Co.
Chartered Accountants

For Maharashtra State Power Generation Co. Ltd.

(CA Ashutosh Pednekar)
Partner (ICAI M No. 041037)

For Borkar & Muzumdar
Chartered Accountants

(CA Devang Vaghani)
Partner (ICAI M No. 109386)

For Ummed Jain & Co.
Chartered Accountants

(CA U.M. Jain)
Partner (ICAI M No. 070863)
Mumbai, 25th September, 2017

Santosh Amberkar
Director (Finance)
DIN No. 05173607

Pankaj Sharma
Chief General Manager (A/c)

Mumbai, 18th September, 2017

Bipin Shrimali
Chairman & Managing Director
DIN No. 03272135

Rahul Dubey
Company Secretary
M No. A14213

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (CIN - U40100MH2005SGC153648)
Statement of Profit and Loss for the year ended 31st March, 2017

(₹ Crores)

	Notes	2016-17	2015-16
Revenue			
Revenue From Operations			
Gross Sale of Power	22	16623.77	18237.26
Other Operating Revenues	23	1540.18	1056.16
Other Income	24	199.87	172.75
Total Revenue		18363.82	19466.17
Expenses			
Cost of Materials Consumed	25	11022.66	11317.72
Employee Benefits Expense	26	1239.68	1216.92
Finance Costs	27	2906.61	2002.49
Depreciation & Amortization Expense	1 & 1A	2107.23	1633.80
Other Expenses	28	2018.33	1947.57
Total Expenses		19294.51	18118.51
Profit Before Tax		(930.69)	1347.65
Tax expense :			
Current tax		0.00	0.00
Deferred tax	15A	(341.74)	22.38
Total Tax Expenses		(341.74)	22.38
Profit/(loss) for the period		(588.95)	1,325.27
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurements of the defined benefit plans		(58.11)	(54.29)
Tax expense on OCI items		17.96	18.45
Other Comprehensive Income for the period (net of tax)		(40.15)	(35.84)
Total Comprehensive Income for the period, net of tax		(629.10)	1289.44
Earning per share [Basic & Diluted earnings per share (R)]	44	(0.24)	1.46
Earning per share [Diluted earnings per share]		(0.24)	1.46

As per our report attached
For M P Chitale & Co.
Chartered Accountants

For Maharashtra State Power Generation Co. Ltd.

(CA Ashutosh Pednekar)
Partner (ICAI M No. 041037)

For Borkar & Muzumdar
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(CA U.M. Jain)
Partner (ICAI M No. 070863)

Mumbai, 25th September, 2017

Mumbai, 18th September, 2017

MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

Consolidated Cash Flow Statement For The Year Ended 31st March, 2017

	2016-17 (₹ Crores)	2015-16 (₹ Crores)
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary Items	(930.64)	1,347.65
Adjustments to reconcile profit before tax to net cash used in operating activities:		
Depreciation/ impairment on property, plant and equipment & Intangible Assets	2,107.23	1,633.80
Impairment in Value of Investments	-	-
Finance Costs	2,906.61	2,002.49
Un realised Exchange Rate Difference	(47.19)	-
Provision for Doubtful Debts & Receivables	204.52	93.65
Interest Income	(0.52)	(0.24)
Provision for obsolescence of inventory	(71.15)	(14.10)
Operating Profit before Changes in Assets & Liabilities {Sub Total - (i)}	4,168.86	5,063.25
Movements in working capital	-	-
(Increase) / Decrease in Trade Receivables	14.05	(623.81)
(Increase) / Decrease in Loans and Advances and Other Assets	(1,162.45)	(239.24)
(Increase) / Decrease in Inventories	559.96	(465.24)
Increase / (Decrease) in Liabilities and Other Payables	(1,691.37)	(945.66)
Sub Total - (ii)	(2,279.82)	(2,273.95)
Cash Generated from Operations (i) + (ii)	1,889.04	2,789.30
Less : Direct Taxes / FBT refund / (paid) - Net		
Net Cash from Operating Activities (A)	1,889.04	2,789.30
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (incl. Capital Work in Progress /excluding interest capitalised)	(1,190.66)	(2,955.68)
Sale of Property, Plant & Equipment		
Investment in Subsidiary	33.45	12.63
Interest received	0.51	0.24
Net Cash Flow generated from / (used in) Investing Activities (B)	(1,156.70)	(2,942.81)
C. Cash Flow From Financing Activities		
Long Term Loans Raised	1,744.43	(1,888.64)
Equity Received	694.37	697.77
Short term Loans raised / (repaid)	(650.68)	3,400.71
Finance Cost paid	(2,660.72)	(2,002.49)
Net Cash Flow generated from / (used in) Financing Activities (C)	(872.60)	207.34
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(140.26)	53.82
Cash and cash equivalents at the beginning of the year	144.35	90.31
Cash and cash equivalents at the end of the year	4.09	144.13
Details of cash and cash equivalents at the end of the year :		
Cash and cash equivalents as on		
Balances with Banks:		
- on current accounts	34.01	144.30
- on non-operative current accounts		
Overdraft	(29.98)	(0.22)
Cash on hand	0.07	0.05
Cash and cash equivalents at the end of the year	4.09	144.13

As per our report attached
For M P Chitale & Co.
Chartered Accountants

For Maharashtra State Power Generation Co. Ltd.

(CA Ashutosh Pednekar)
Partner (ICAI M No. 041037)
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Chartered Accountants

Pankaj Sharma
Chief General Manager (A/c)

Rahul Dubey
Company Secretary
M No. A14213

(CA U.M. Jain)
Partner (ICAI M No. 070863)
Mumbai, 25th September, 2017

Mumbai, 18th September, 2017

Consolidated

I. Equity Share Capital

Particulars	(Amount ₹ Crores)
As at 01.04.2015	8057.30
Changes in Equity share capital	16,041.07
As at 01.04.2016	24,098.38
Changes in Equity share capital	755.98
As at 31.03.2017	24,854.36

II. Other Equity

(₹ Crores)

	Share Application Money Pending Allotment	Retained earnings	Other Comprehensive Income	Other Equity	Total Other Equity
As at 01.04.2015	16,041.07	(7,743.29)	-	23.74	8,321.53
Profit or Loss for the year	-	1,325.27	-	-	1,325.27
Other Comprehensive income for the year	-	-	(35.84)	-	(35.84)
Addition during the year	755.98	-	-	0.46	756.44
Shares Allotted during the year	(16,041.07)	-	-	-	(16,041.07)
As at 01.04.2016	755.98	(6,418.01)	(35.84)	24.20	(5,673.67)
Profit or Loss for the year	-	(588.91)	-	-	(588.91)
Other Comprehensive income for the year	-	-	(40.15)	-	(40.15)
Addition during the year	392.79	-	-	0.33	393.12
Shares Allotted during the year	(755.98)	-	-	-	(755.98)
As at 31.03.2017	392.79	(7,006.92)	(75.99)	24.53	(6,665.59)

Note:- The equity capital corresponding to transfer scheme (i.e. Financial Restructuring Plan) has been actually allotted on 31-03-2016. However as an impact of Ind As, the accounts for FY 2015-16 have been restated and the effect of transfer scheme has been accounted as on IndAS transition date i.e. 01-04-2015. Consequently, the equity capital amounting to ₹ 15111 Crs. has been recognised as share application money as on 01-04-2015

As per our report attached
For M P Chitale & Co.
 Chartered Accountants

For Maharashtra State Power Generation Co. Ltd.

(CA Ashutosh Pednekar)
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Mumbai, 25th September, 2017

Mumbai, 18th September, 2017

Note No. 1 : PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED)												
TANGIBLE ASSETS												
Particulars	ASSET							(₹ Crores)				
	Land (including development)	Buildings	Hydraulic Works	Other Civil Works	Plant, Machinery & Equipments	Lines & Cable Networks	Vehicles	Furniture & Fixtures	Office Equipments	Capital Expenditure resulting in Assets not belonging to the Company	Total Tangible Assets	Less : Capitalised
As per Annual Accounts as at 01.04.2015	1,540.68	708.83	740.49	1344.37	1165.76	359.09	16898.30	254.98	4.34	20.77	12.46	58.83
Addition	28.39	-	-	98.00	340.42	82.07	5532.14	1.54	0.91	1.41	3.16	-
Deduction	-	13.86	-	32.23	76.31	-	250.21	12.81	0.22	-	-	-
Balance as at 31.03.2016	1,569.07	694.96	838.49	1652.56	1204.05	441.16	22180.23	243.71	5.02	22.18	15.63	58.83
Addition	26.18	238.76	154.68	859.46	168.90	18.45	15776.01	248.63	3.58	3.15	5.33	0.00
Deduction	0.00	31.30	2.00	21.39	18.48	43.75	574.43	7.14	0.51	2.00	0.74	0.44
Balance as at 31.03.2017	1,595.25	902.43	991.17	2490.64	1354.46	415.86	37381.81	485.20	8.09	23.33	20.20	58.38
Accumulated Depreciation & Impairment												
Addition	0.00	4.38	34.28	99.75	131.33	16.42	1273.82	28.21	0.52	1.97	2.71	4.54
Deduction	0.00	12.48	0.00	28.24	37.96	0.00	205.01	10.13	0.20	-0.03	0.03	0.00
As per annual Accounts	0.00	4.38	34.28	71.51	93.36	16.42	1068.81	18.08	0.32	2.00	2.69	4.54
Balance as at 31.03.2016												
Addition	0.00	32.67	83.81	154.04	78.20	19.74	1691.30	24.86	0.67	1.84	2.39	4.54
Deduction / Adjustments	0.00	27.31	1.03	13.59	40.21	16.88	407.14	3.92	0.42	1.55	0.21	0.38
Balance as at 31.03.2017	0.00	27.56	117.06	211.95	131.35	19.28	2352.97	39.02	0.57	2.29	4.86	8.70
Provision for Obsolescence	0.00	0.40	0.00	0.30	0.00	0.28	0.03	6.79	0.11	0.00	0.01	0.05
As at 1 st April, 2015	1,540.68	708.43	740.49	1344.07	1165.76	358.81	16898.27	248.19	4.22	20.77	12.45	58.78
Provision for Obsolescence	0.00	0.40	0.00	0.30	0.00	0.28	22.66	6.79	0.11	0.00	0.01	0.05
As at 31 st March, 2016	1,569.07	672.36	804.21	1580.75	1110.68	424.46	21088.76	218.84	4.59	20.18	12.93	54.24
Provision for Obsolescence	0.00	0.40	0.00	0.30	0.00	0.28	22.65	6.79	0.11	0.00	0.01	0.05
As at 31 st March, 2017	1,595.25	874.47	874.11	2278.38	1223.11	396.30	35006.18	439.40	7.40	21.04	15.34	49.64
As at 31 st March, 2017												

Note No. - 1A**Intangible Assets**

(₹ Crores)

Cost	Software Licences	Total Intangible Assets
As per Annual accounts as at 01.04.2015	16.16	16.16
Addition	2.99	2.99
Deduction	0.32	0.32
Balance as at 31.03.2016	18.84	18.84
Addition	6.52	6.52
Deduction	-	-
Balance as at 31.03.2017	25.36	25.36
Accumulated Depreciation and impairment		
As per Annual accounts as at 01.04.2015	-	-
Addition	2.98	2.98
Deduction	0.32	0.32
As per annual Accounts Balance as at 31.03.2016	2.66	2.66
Addition	10.47	10.47
Deduction/Adjustments	-	-
Balance as at 31.03.2017	13.14	13.14
Net Carrying Amount		
As at 1st April 2015	16.16	16.16
As at 31 March 2016	16.17	16.17
As at 31 March 2017	12.12	12.12

Note No. - 1B**Assets Classifies as held for sale**

(₹ Crores)

Particulars	31.03.17	31.03.16	01.04.15
Non-current assets held for sale			
Plant & Machinery	250.05	82.50	41.21
Factory Buildings & Others	7.17	2.21	0.82
Hydraulic Works	6.94	5.60	1.62
Railway Sidings, Roads & Others	16.89	38.44	0.09
Lines & Cable Networks	8.43	5.20	2.52
Vehicles	0.22	0.13	0.12
Furniture & Fixtures	0.27	0.01	0.01
Office Equipments	0.46	0.07	0.07
Other Miscellaneous Assets	0.07	-	-
Total	290.50	134.17	46.46

Note : Operations of the power generating unit no. 5 at Koradi TPS & unit no. 3 at Parali TPS have been discontinued during FY 2016-2017. The company is in the process of disposing of these assets. During the year ended 31st March, 2017, the company has reclassified the said assets as assets held for sale. No impairment loss has been recognised on reclassification as the company expects that the fair value (estimated based on the recent market prices of similar properties) less costs to sell is higher than it's carrying amount as on 31st March, 2017.

Note No. - 2
Consolidated Capital Work in Progress

(₹ Crores)

Particulars	Total Tangible CWIP	CWIP - Freehold Land	CWIP - Factory Buildings	CWIP - Other Buildings	CWIP - Roads & Others	CWIP - Plant & Machinery	CWIP - Vehicles	CWIP - Furniture & Fixtures	CWIP - Office equipment	CWIP - Intangible Assets
As on 01.04.2015	20,591.15	9.99	3,566.43	18.33	-	16,991.62	0.01	-	4.78	-
Addition	6,605.07	4.82	2,540.07	7.19	3.16	4,038.79	0.17	0.11	10.76	120.91
Deduction	9,859.76	-	3,450.94	24.68	-	6,379.67	0.18	0.11	4.18	0.13
As on 31.03.2016	17,336.46	14.81	2,655.55	0.85	3.16	14,650.74	0.00	-	11.35	120.78
As on 01.04.2016	17,336.46	14.81	2,655.55	0.85	3.16	14,650.74	0.00	-	11.35	120.78
Addition	8,060.32	2.70	2,068.34	2.04	2.04	5,942.91	0.77	0.34	41.17	10.34
Deduction	24,187.39	3.12	4,169.25	2.89	0.10	19,973.04	0.77	0.34	37.88	1.35
As on 31.03.2017	1,209.39	14.39	554.64	-	5.10	620.60	0.00	0.01	14.64	129.77

Note No. - 3
Investment in Subsidiaries, Joint Ventures and Associates
Investments in Equity Instruments

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Un - Quoted			
MAHAGENCO Ash Management Services Limited (formerly Dhule Power Limited)	-	-	-
50,000 Equity Shares of ₹ 10 each fully paid up	-	-	-
Dhopave Coastal Power Company Limited	-	-	-
50,000 Equity Shares of ₹ 10 each fully paid up	-	-	-
UCM Coal Co. Ltd	-	-	-
30,000 Equity Shares of ₹ 10 each fully paid up	0.03	0.03	0.03
Add : Share of Income from Investment	(0.06)	(0.01)	(0.02)
Mahaguj Colliery Limited	-	-	-
30,000 Equity Shares of ₹ 10 each fully paid up	-	-	-
Quasi Equity investment in subsidiaries	4.80	(6.22)	0.09
Total	4.77	(6.20)	0.11
Less : Allowance for Expected Credit Loss	(45.10)	-	-
Total	(40.32)	(6.20)	0.11

Note No. - 4
Non-Current : Trade Receivables

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Unsecured considered good;	3740.66	3740.66	2701.39
Less: Allowance for Expected Credit Loss	(696.32)	(515.65)	(296.48)
Total	3044.34	3225.01	2404.91

Note No. - 5**Other Non-Current Assets**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Security Deposits	0.33	0.33	0.33
Less:- Provision for Doubtful debts	(0.33)	(0.33)	(0.33)
Advances for O & M Supplies / recoverables	243.85	215.86	192.39
Less:- Provision for Doubtful debts	(243.85)	(215.86)	(192.39)
Balance recoverable from statutory authorities	0.16	0.16	-
Less:- Provision for Doubtful debts	(0.16)	(0.16)	-
	-	-	-
Advance to Irrigation Department Government of Maharashtra	138.21	138.21	138.21
Less:- Allowance for Expected Credit Loss	(28.08)	(21.50)	(11.77)
	110.13	116.71	126.44
Advance Tax (Net of Provisions)	211.64	205.57	148.50
Staff Advance	2.74	14.57	18.56
Capital advances	60.22	132.93	712.83
Deferred Lease Rent	637.65	563.73	477.98
Claims Receivable under MVAT Refund Account	57.53	57.53	57.53
Total	1079.91	1091.05	1541.85

Note No. - 6**Current Assets : Inventories**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Raw materials (Coal)	602.01	1023.46	274.78
Fuel Oil, LDO etc	171.51	184.45	168.60
Stock-in-transit (Coal)	49.00	51.82	48.18
Stores and spares	914.05	894.50	1169.21
Less : Provision for Obsolescence of stores and spares	(322.87)	(251.72)	(237.61)
Total	1413.70	1902.51	1423.16

Note No. - 7**Current Assets : Trade Receivables**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Unsecured considered good;	7627.60	7665.49	7947.14
Doubtful	97.49	-	-
Less: Allowance for Bad and Doubtful Debts	(97.49)	-	-
Total	7627.60	7665.49	7947.14

Note No. - 8**Current Assets : Cash and Cash Equivalents**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Balances with Scheduled Banks :			
- on Current Accounts	34.01	144.30	90.24
Cash on Hand	0.07	0.05	0.07
Total	34.08	144.35	90.31

Note No. - 9
Current Assets : Current Loans

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Unsecured, considered good			
Employee loans and advances	12.49	28.78	45.34
Receivable from CPF Trust	40.73	30.63	29.10
Loans to related parties	-	349.84	63.41
Other Advances	1.17	0.81	5.30
Total	54.40	410.06	143.15

Note No. - 10
Other Current Financial Assets

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Unsecured, considered good			
Recoverables from Employees	2.30	0.76	3.10
Unbilled Receivables	1519.83	558.40	298.69
Receivable under MVAT refund account	581.22	642.36	507.50
Rent Receivable	0.63	0.68	2.33
Claims receivable	18.48	18.55	53.65
Recoverable from Contractors	18.04	10.31	-
Total	2140.50	1231.07	865.27

Note No. - 11
Current Assets : Other Assets

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Coal Deposits	-	-	54.05
Prepaid Expenses	38.69	32.03	5.63
Balances with Statutory Authorities	69.40	64.55	0.52
Advances for O & M supplies / works	1481.10	717.73	359.26
Advances for coal / fuel supplies	539.53	760.88	1186.15
Less:- Allowance for Expected Credit Loss	(90.03)	-	-
Total	2038.68	1575.19	1605.61

Note No. - 12
Consolidated Share Capital
i) Authorised Capital

Class of Share	Par Value ₹	As at 31-03-2017		As at 31-03-2016		As at 01.04.2015	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
M.S.P.G.C. Ltd. Equity Shares	10	25,000,000,000	25,000.00	25,000,000,000	25,000.00	25,000,000,000	25,000.00
Mahagenco Ash Management Service Ltd.	10	50,000	0.05	50,000	0.05	50,000	0.05
Dhopave Coastal Power Company Ltd.	10	50,000	0.05	50,000	0.05	50,000	0.05
MahaGuj Colieries Ltd.	10	50,000	0.05	50,000	0.05	50,000	0.05

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

Class of Share	Par Value ₹	As at 31-03-2017		As at 31-03-2016		As at 01.04.2015	
		No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Equity Shares	10	24,854,336,788	24,854.36	24,098,376,788	24,098.38	8,057,304,564	8,057.30

iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31-03-2017		As at 31-03-2016		As at 01.04.2015	
	Equity Shares		Equity Shares		Equity Shares	
	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)	No. of Shares	(Amount in ₹ Crores)
Outstanding at the beginning of the year	24,098,376,788	24,098.38	8,057,304,564	8,057.30	6,808,390,164	6,808.39
Addition during the period	755,980,000	755.98	16,041,072,224	16,041.07	1,248,914,400	1,248.91
Outstanding at the end of the year	24,854,356,788	24,854.36	24,098,376,788	24,098.38	8,057,304,564	8,057.30

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 31-03-2017	As at 31-3-2016	As at 01.04.2015
	Equity Shares	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	24,854,336,788	24,098,356,788	8,057,234,564
MSEB Holding Company Ltd. (Amount in ₹ Crores)	24,854.29	24,098.31	8,057.23
Gujrat State Electricity Corporation Ltd. (Nos.)	20,000	20,000	20,000
Gujrat State Electricity Corporation Ltd. (Amount in ₹ Crores)	0.02	0.02	0.02

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	Name of company	As at 31-03-2017		As at 31-03-2016		As at 01.04.2015	
		Equity Shares	% of Shares	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	Mahagenco & Subsidiaries	24,854,336,788	100.00	24,098,356,788	100.00	8,057,234,564	99.99
Gujrat State Electricity Corporation Ltd.	Mahaguj	20,000	40.00	20,000	40.00	20,000	40.00

Note No. - 13
Other Equity - (a) : Reserves and Surplus

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Retained Earnings			
As per last Balance Sheet	(6453.87)	(7743.30)	(7743.30)
Add : Profit/(loss) for the year	(629.10)	1289.44	0.01
Sub-Total	(7082.97)	(6453.87)	(7743.30)
Other Equity - (b) : Other Reserves			
Share Application Money Pending Allotment	417.38	780.20	16064.83
Grand Total	(6665.59)	(5673.67)	8321.53

Note No. - 14
Non Current Borrowings

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Term loans			
Secured			
Term Loan From Financial Institutions	21573.89	21671.59	22389.03
Term Loan From Banks	2003.03	78.72	1562.88
Un - secured			
Term Loan From Financial Institutions	46.48	-	46.88
Term Loan From Others	201.05	205.36	0.05
Loan from World Bank	159.20	98.45	27.08
Loan from KFW	514.30	700.38	611.36
Total	24497.94	22754.51	24637.29

Note No. - 15
Non Current Provisions

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Provision for Gratuity	375.21	383.13	413.07
Provision for Leave Encashment	422.48	420.23	425.36
Total	797.69	803.37	838.43

Note No. - 15A
Deferred Tax
(a) Amounts recognised in Profit and Loss

(₹ Crores)

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Current Tax Expense		
Current Year	-	-
Changes in estimates relating to prior years	-	-
Deferred Tax Expense	-	-
Origination and Reversal of Temporary Differences	(202.35)	22.38
Changes in Tax Rate	(139.39)	-
Changes in Estimates Relating to Prior Years	-	-
Recognition of Previously Unrecognised Tax Losses	-	-
	(341.74)	22.38
Tax Expense Recognised in the income statement	(341.74)	22.38

(b) Amount recognised in other Comprehensive Income

(₹ Crores)

Particulars	For the Year Ended March 31, 2017		
	Before Tax	Tax Expense / (Benefit)	Net of Tax
Items that will not be reclassified to Profit or Loss Remeasurements of the defined benefit plans	(58.11)	17.96	(40.15)
Total	(58.11)	17.96	(40.15)

Particulars	For the Year Ended March 31, 2016		
	Before Tax	Tax Expense / (Benefit)	Net of Tax
Items that will not be reclassified to Profit or Loss Remeasurements of the defined benefit plans	(54.29)	18.45	(35.84)
Total	(54.29)	18.45	(35.84)

(c) Reconciliation of Effective Tax Rate

(₹ Crores)

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Profit Before Tax	(929.71)	1,357.14
Application Tax Rate	30.90%	33.99%
Tax Using the Company's Domestic Tax Rate	(287.28)	461.29
Reduction in Tax Rate	(139.39)	-
Tax Effect of :	-	-
Non-Deductible Tax Expenses	17.63	9.59
Permanent Difference	-	-
- For Depreciation and Other Items	134.64	(250.14)
- Impairment of financial assets	(121.95)	-
Expenditure allowable on cash basis	(15.19)	23.66
Deferred Tax Reversal for earlier years	66.88	(224.19)
Other expenses not allowable	2.92	2.17
	-	-
Tax Expense	(341.74)	22.38
Effective Tax Rate	-36.76%	1.65%

(e) Movement in Deferred Tax Balances

Particulars				March 31, 2017		
	Net Balance April 1, 2016	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset						
Property, plant & equipment	(2,944.47)	(764.62)	-	(3,709.08)	-	(3,709.08)
Investments	-	10.53	-	10.53	10.53	-
Inventories	85.56	14.21	-	99.77	99.77	-
Trade receivables	175.27	70.02	-	245.29	245.29	-
Provision	359.81	(57.67)	17.96	320.09	320.09	-
Unabsorbed Depreciation	898.93	1,000.39	-	1,899.32	1,899.32	-
Loans and Advances	(108.41)	68.89	-	(39.52)	(39.52)	-
Tax Assets (Liabilities)	(1,533.31)	341.74	17.96	(1,173.61)	2,535.47	(3,709.08)

March 31, 2016						
	Net Balance April 1, 2015	Recognised in Profit or Loss	Recognised in OCI	Net	Deferred Tax Asset	Deferred Tax Liability
Deferred Tax Asset						
Property, plant & equipment	(2,496.94)	(447.52)	-	(2,944.47)	-	(2,944.47)
Inventories	80.76	4.79	-	85.56	85.56	-
Trade receivables	100.77	74.49	-	175.27	175.27	-
Provision	380.51	(39.15)	18.45	359.81	359.81	-
Unabsorbed Depreciation	498.26	400.67	-	898.93	898.93	-
Loans and Advances	(92.75)	(15.66)	-	(108.41)	(108.41)	-
Tax Assets (Liabilities)	(1,529.38)	(22.38)	18.45	(1,533.31)	1,411.16	(2,944.47)

The company offsets tax assets and liabilities if and only it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing whether the deferred income tax assets will be realized, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realize the benefits of those recognized deductible differences and tax loss carry forwards. Recoverability of deferred tax assets is based on estimates of future taxable income. Any changes in such future taxable income would impact the recoverability of deferred tax assets.

Note No. - 16

Other Non-Current Liabilities

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Capital Grant	53.64	34.05	16.59
Advance against Depreciation	-	189.70	189.70
Total	53.64	223.75	206.29

Note No. - 17

Current Borrowings

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Loans repayable on demand			
Secured			
from banks			
Cash Credit	3432.91	4746.25	5039.03
Loans repayable on demand			
Unsecured			
from banks			
Working Capital	1962.91	869.00	949.09
Other Short Term Loans	3423.44	3824.71	50.91
Total	8819.26	9439.96	6039.03

Note No. - 18**Current Trade Payables**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Micro, Small and Medium Enterprises (MSME)	2.40	0.70	0.77
Other than MSME	1703.99	1255.95	3971.14
Total	1706.39	1256.65	3971.90

Note No. - 19**Other Current Financial Liabilities**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Current maturities of Long Term Borrowings	2228.49	3205.18	915.79
Retentions	2850.91	2396.95	2463.49
Other Deposits	94.68	158.97	161.95
Interest accrued but not due	242.36	444.00	527.22
Payables for Capital goods	110.59	98.04	530.73
Related Party Payables	687.03	494.65	597.68
Others	170.93	963.49	634.67
Payable to employees	8.45	2.47	44.28
Total	6393.44	7763.75	5875.80

Note No. - 20**Other Current Liabilities**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Statutory Dues			
Income tax deducted at source - Salary	9.21	20.05	6.62
Income tax deducted at source - Contractors	2.27	8.82	24.09
Service Tax liability	0.04	2.25	0.46
Total	11.52	31.13	31.17

Note No. - 21**Current Provisions**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Provision for Gratuity	95.49	107.18	107.35
Provision for Leave Encashment	142.73	148.04	130.52
Total	238.21	255.22	237.87

Note No. - 21A**Current Tax Liabilities (Net)**

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Provision for Income Tax (Net)	(0.00)	0.00	121.97
Provision for Wealth Tax	-	-	0.02
Total	(0.00)	0.00	121.99

Note No. - 22
Gross Sale of Products

(₹ Crores)

Particulars	2016-17	2015-16
Sale of Power	16623.77	18237.26
Total	16623.77	18237.26

Note No. - 23
Other Operating Revenues

(₹ Crores)

Particulars	2016-17	2015-16
Delayed payment surcharge	1506.67	1039.26
Miscellaneous Operating Income	33.51	16.90
Sale of Fly Ash	26.79	26.82
Less :- Transferred to Fly Ash Liability	(26.79)	(26.82)
Total	1540.18	1056.16

Note No. - 24
Other Income

(₹ Crores)

Particulars	2016-17	2015-16
Interest on Deposits	0.52	0.24
	0.52	0.24
Income from rent, hire charges etc.	6.01	6.44
Profit on sale of assets/stores/scrap	16.16	11.20
Sale of tender forms	2.59	2.86
Sundry Credit balance write Back	95.45	90.30
Other receipts	78.73	61.24
Govt Grant Amortization	0.46	0.46
	199.35	172.50
Total Other Income	199.87	172.75

Note No. - 25
Cost of Material Consumed

(₹ Crores)

Particulars	2016-17	2015-16
Coal	10269.37	10407.31
Gas	502.62	747.52
Oil	178.60	117.94
Water	72.07	44.95
Total	11022.66	11317.72

Note No. - 26
Employee Benefits Expense

(₹ Crores)

Particulars	2016-17	2015-16
Salaries, Wages, Bonus, etc.	918.50	945.24
Contribution to Provident Fund	88.92	97.40
Gratuity, Leave Encashment and Other Employee Benefits	166.40	123.82
Employee Welfare Expenses	65.86	50.47
Total	1239.68	1216.92

Note No. - 26A**Employee Benefits Expense Under OCI**

(₹ Crores)

Particulars	2016-17	2015-16
Remeasurements of the defined benefit plans	58.11	54.29
Total	58.11	54.29

Note No. - 27**Finance costs**

(₹ Crores)

Particulars	2016-17	2015-16
Interest	2830.32	1998.15
Other borrowing costs	76.29	4.35
Total	2906.61	2002.49

Note No. - 28**Other Expenses**

(₹ Crores)

Particulars	2016-17	2015-16
Rent	15.73	15.38
Hydro Lease Rent	452.10	452.08
Repairs and Maintenance on :		
Plant & machinery & Building	781.36	772.71
Ash Handling Expenses	31.88	32.63
Repair & Maintenance - Others	0.53	0.58
Insurance charges	16.58	11.40
Rates and taxes	20.47	21.13
Others :		
Lubricants, consumables & stores including obsolescence	70.45	57.85
Domestic Water	0.49	0.12
Legal and professional charges	12.07	8.84
Commission to agents	2.27	26.91
Other Bank Charges	0.52	3.22
Contribution towards assets not owned by Company / CSR expenditure	9.46	6.20
Provision for doubtful advances	204.52	93.65
Impairment of Financial Instrument	187.25	228.90
Other general expenses	211.91	120.09
Loss on obsolescence of Fixed Assets	-	28.21
Loss on foreign exchange variance (Net)	-	93.82
Expenses transferred to Fly Ash utilization liability	-	(26.82)
Payments to the auditors for :		
- Audit Fees	0.53	0.53
- Other Services	0.05	-
- Reimbursement of expenses	0.06	0.08
- Reimbursement of service tax	0.09	0.09
Total	2018.33	1947.57

Note No. - 29
Notes to the financial statements
Mahagenco

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company and charged to Statement of Profit and Loss.

The Company recognised ₹ Nil Crores (previous year ₹ Nil Crores) for Provident Fund contribution in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan :

Liability towards long term defined employee benefits - leave encashment, gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is unfunded in the case of leave encashment and gratuity.

GRATUITY
A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

(₹ Crores)

Particulars	Defined benefit obligation			Fair value of plan assets			Net defined benefit (asset) liability		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Opening balance	490.31	520.42	447.47				490.31	520.42	447.47
Interest Cost Included in profit or loss	39.18	41.37	41.39				39.18	41.37	41.39
Current service cost	14.65	15.00	12.02				14.65	15.00	12.02
Past service cost									
Interest cost (income)									
	544.13	576.79	500.87	-	-	-	544.13	576.79	500.87
Included in OCI									
Remeasurement loss (gain):									
Actuarial loss (gain) arising from:									
Demographic assumptions									
Financial assumptions	17.30	(0.92)	28.32				17.30	(0.92)	28.32
Experience adjustment	40.81	55.21	130.37				40.81	55.21	130.37
Return on plan assets excluding interest income									
	58.11	54.29	158.70	-	-	-	58.11	54.29	158.70
Other									
Contributions paid by the employer									
Benefits paid	(131.54)	(140.77)	(139.15)				(131.54)	(140.77)	(139.15)
Closing balance	470.70	490.31	520.42	-	-	-	470.70	490.31	520.42
Represented by									
Net defined benefit asset									
Net defined benefit liability							470.70	490.31	520.42
							470.70	490.31	520.42

C. Defined benefit obligations**i. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.27%	7.99%	7.95%
Salary escalation rate	5.00%	5.00%	5.00%
Mortality rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows :

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

(₹ Crores)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(12.18)	12.99	(11.20)	11.88	(11.36)	12.01
Future salary growth (0.5% movement)	13.21	(12.49)	12.17	(11.56)	12.30	(11.72)
Employee Turnover (0.5% movement)	2.21	(2.34)	2.60	(2.74)	2.44	2.57

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Maturity Analysis of Defined Benefit Obligation

Defined Benefits Payable in Future Years From the Date of Reporting

(₹ Crores)

Particulars	March 31, 2017	March 31, 2016
1st Following Year	95.49	75.90
2nd Following Year	47.28	36.09
3rd Following Year	58.97	48.39
4th Following Year	51.92	40.89
5th Following Year	45.82	35.27
Sum of Years 6 To 10	169.33	127.35

LEAVE ENCASHMENT**A. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

(₹ Crores)

Particulars	Defined benefit obligation			Fair value of plan assets			Net defined benefit (asset) liability		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Opening balance	568.27	555.88	387.67				568.27	555.88	387.67
Included in profit or loss (Interest Cost)	45.40	44.19	35.86				45.40	44.19	35.86
Current service cost	11.15	11.46	10.73				11.15	11.46	10.73
Past service cost									
Interest cost (income)									
	624.83	611.53	434.26	-	-	-	624.83	611.53	434.26
Included in OCI									
Remeasurement loss (gain):									
Actuarial loss (gain) arising from:									
Demographic assumptions									
Financial assumptions	20.87	(1.10)	31.75				20.87	(1.10)	31.75
Experience adjustment	35.15	12.89	198.15				35.15	12.89	198.15
Return on plan assets excluding interest income									
	56.02	11.79	229.91	-	-	-	56.02	11.79	229.91
Other									
Contributions paid by the employer	(115.64)	(55.05)	(108.28)				(115.64)	(55.05)	(108.28)
Benefits paid									
Closing balance	565.20	568.27	555.88	-	-	-	565.20	568.27	555.88
Represented by									
Net defined benefit asset									
Net defined benefit liability							565.20	568.27	555.88
							565.20	568.27	555.88

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.27%	7.99%	7.95%
Salary escalation rate	5.00%	5.00%	5.00%
Mortality rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

- B) The provident fund plan of the Company is operated by the “Maharashtra State Power Generation Company Limited Employees Provident Fund Trust” (the “Trust”). Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee’s salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. During the year, since the market value of investment is more than subscription liability of the Trust, the liability on this account recognised in Profit & Loss account is ₹ Nil (P.Y. ₹ Nil)

Mahaguj Collieries Limited**Retirement Benefits**

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.

MAMSL

No Provision for Gratuity is required; Since the Company did not have any employee during the year.

Note No. - 30

(₹ Crores)

Capital / Government grants		
As at 01.04.2015		16.59
Received during FY 2015-2016		17.92
Government Grant amortised during FY 2015-2016		0.46
As at 31.03.2016		34.05
Received during FY 2016-2017		20.04
Government Grant amortised during FY 2016-2017		0.46
As at 31.03.2017		53.64
	31.03.17	31.03.16
Current	0.46	0.46
Non-current	53.18	33.59
Total	53.64	34.05

Government grant have been received for the purchase of certain item of Property, Plant and Equipment at Pophali Hydro Power Station. The same have been accounted for as government grant and being amortised over the useful life of such assets. There are no other unfulfilled conditions or contingencies attached to this grant. Further during the year Company has received ₹ 20 Crs (PY ₹17.92 Crs.) from World Bank towards Koradi U-6 Renovation & Modernisation. The asset under the scheme of Renovation & Modernisation is part of Asset under construction.

Note No. - 31**Intangible assets under development**

(₹ Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Opening balance	120.78	-	-
Additions for the year	8.98	120.78	-
Closing Balance	129.77	120.78	-

Company has acquired the right to develop the coal block at Gare Palma, Chattishgarh & Company is in the process of appointing the mine developer for this purpose.

Note No. - 32
Investment in Related Party :

(₹ Crores)

Details of Transactions	MAHAGUJ	DHOPAVE	MAHAGAMS	UCM	AURANGABAD
Opening Balance as on 01-04-2015					
- Equity investement	0.03	0.05	0.05	0.03	-
- Quasi Equity investment	32.71	13.25	0.13	0.09	4.71
Quasi Equity investment during the year	0.67	-6.99	0.00	-	-
Balances outstanding as on 31-03-2016					
- Equity investment	0.03	0.05	0.05	0.03	-
- Quasi Equity investment	33.37	6.26	0.13	0.09	4.71
Quasi Equity investment during the year	0.55	0.01	0.08	-	-
Balances outstanding as on 31-03-2017					
- Equity investment	0.03	0.05	0.05	0.03	-
- Quasi Equity investment	33.92	6.27	0.21	0.09	4.71

Note No. - 33
Assets hypothecated / pledged as security

The carrying amount of assets hypothecated / mortgaged as security for current and non-current borrowings are :

(₹ Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Security created in respect of Non-current Borrowings			
Property, plant and equipment excluding leasehold land	40,569.78	25,104.85	16,079.13
Security created in respect of Current Borrowings			
i) Inventories	1,413.70	1,902.51	1,423.16
ii) Trade receivables	-	11,465.74	11,406.15
Total assets as security	1,413.70	13,368.25	12,829.31

Note No. - 34
Mahagenco

During the current financial year 2016-17, Revenue Subsidy towards Solar power sales from Central Government amounting to ₹ 1.08 Crores (2015-16: ₹ 1.64 Crores) has been accounted.

Note No. - 35
Mahagenco

Inter- company transactions are reconciled on a continuous basis. However, year end balances are subject to confirmation/reconciliation which is not likely to have a material impact.

Note No. - 36
Mahagenco

The recognition of MAT Credit Entitlements excluding surcharge & Education Cess of ₹ 603.86 Crore as at March 31, 2017 (₹ 603.86 Crore as at March 31, 2016) is on the basis that the company, being rate regulated entity having entitlement for a prescribed return on equity, will be able to generate the sufficient profits to avail the credit during the period specified in section 115JAA of the Act.

Note No. - 37
Mahagenco

To the extent Micro and Small Enterprises have been identified, the outstanding balance, including interest thereon, if any, as at balance sheet date is disclosed on which Auditors have relied upon :

(₹ Crores)

Sr. No.	Particulars	31.03.2017	31.03.2016	01.04.2015
1	Amounts payable to “suppliers” under MSMED Act, as on - Principal - Interest	2.4 0.13	0.7 0.02	0.77 0.03
2	Amounts paid to “suppliers” under MSMED Act, beyond appointed day during respective F.Y. (irrespective of whether it pertains to current year or earlier years) - - Principal - Interest	0.04	-	-
3	Amount of interest due / payable on delayed principal which has already been paid during the current year (without interest or with part interest)	-	-	-
4	Amount accrued and remaining unpaid at the end of Accounting Year	0.48	0.2	0.19
5	Amount of interest which is due and payable, which is carried forward from last year	0.73	0.58	0.39

MAMSL

As on 31.03.2017 there are no dues to Micro, Small and Medium Enterprises defined under “Micro, Small and Medium Enterprises Development Act 2006”.

Dhopave Coastal Power Limited

As on 31.03.2017 there are no dues to Micro, Small and Medium Enterprises defined under Small and Medium Enterprises Development Act 2006”.

Note No. - 38

Related Party Disclosure :

A. Names of and Relationship with Related Parties**1. Associate entities :**

- i. M/s. UCM Coal Company Limited

2. Subsidiaries :

- i. M/s. Dhopave Coastal Power Limited
- ii. M/s. Mahagenco Ash Management Services Limited
- iii. M/s. Mahaguj Collieries Limited

3. Fellow subsidiaries :

- i. M/s Maharashtra State Electricity Distribution Company Ltd.
- ii. M/s Maharashtra State Electricity Transmission Company Ltd.

B. The Company has not included disclosure in respect of following related parties which are Govt. related entities as per Ind AS 24.**1. Associate entities :**

- i. M/s. UCM Coal Company Limited

2. Subsidiaries :

- i. M/s. Dhopave Coastal Power Limited
- ii. M/s. Mahagenco Ash Management Services Limited
- iii. M/s. Mahaguj Collieries Limited

3. Fellow subsidiaries :

- i. M/s Maharashtra State Electricity Distribution Company Ltd.
- ii. M/s Maharashtra State Electricity Transmission Company Ltd.

4. Key Management Personnel Mahagenco

Sr. No.	Designation	Key Management Personnel Name	With effect from
1	Chairman & Managing Director	Shri. Bipin Shrimali	05.01.2015
2	Director	Shri. Mukesh Khullar	04.02.2015 to 07.05.2016
3	Director (Mining)	Shri. Shyam Wardwane	14.09.2016
4	Director (O)	Shri. Vijay Singh	28.08.2013 to 28.08.2016
5	Director (O)	Shri. C. S. Thotwe	19.09.2016
6	Director (F)	Shri. J. K. Srinivasan	26.05.2014
7	Director (P)	Shri. C. S. Thotwe	28.08.2013 to 28.08.2016
8	Director (P)	Shri. V. M. Jaideo	19.09.2016

MAMSL

Sr. No.	Designation	Key Management Personnel Name	With effect from
1	Managing Director	Shri Shyam Wardhane	w.e.f. 28.09.2016
2	Director	Shri. J. K. Srinivasan	
3	Director	Shri. K. M. Chirutkar	w.e.f.22.03.16
4	Director	Shri Sudhir Paliwal	w.e.f.22.03.16

5. Independent Directors Mahagenco

Sr. No.	Designation	Key Management Personnel Name	With effect from
1	Director	Smt. Irawati Dan	26.06.2014
2	Director	Shri. Vishwas Pathak	21.07.2015

C. Remuneration paid to Key Management Personnel Mahagenco

Sr. No.	Name of Related Party	Nature of Relationship	(₹ Crores)	
			2016-17	2015-16
1	Mr. Bipin Shrimali	Chairman & Managing Director	0.25	0.24
2	Mr. J. K. Shrinivasan	Director (Finance)	0.33	0.30
3	Mr. C. S. Thotwe	Director (Operation)	0.32	0.35
4	Mr. Vikas Jaideo	Director (Projects)	0.29	-
5	Mr. V. P. Singh	Director (Operation)	-	0.44
6	Mr. Shyam Wardhane	Director (Mining)	0.08	-

Remuneration to Key Managerial Persons

1	Mr. A. R. Nandanwar	Executive Director	0.26	0.26
2	Mr. Vinod Bondre	Executive Director (HR)	0.10	-
3	Mr. Manoj Ranade	Executive Director (HR)	-	0.20
4	Mr. Raju Burde	Executive Director	0.24	-
5	Mr. Kailash Chirutkar	Executive Director	0.24	-
6	Mr. Satish Chaware	Executive Director	0.24	-
7	Mr. Rahul Dubey	Company Secretary	0.18	0.18

* Remuneration to KMP has been considered from / to the date from which they became KMP.

D. Sitting Fee paid to Non-Executive Directors :

(₹ Crores)

Details of Meeting	Smt. Irawati Dani	Shri. Vishwas Pathak
Board	0.004	0.005
Audit Committee	0.003	0.004
Nomination & Remuneration		0.001
Stakeholders Relationship		
Investment Committee		
CSR & SD Committee	0.002	
Total Sitting Fees Paid	0.009	0.010

Note No. - 39

In compliance of Ind AS-27 'separate Financial Statements', the required information is as under :

Mahagenco

Particulars	Country of In Company	Nature of Investments	Percentage of ownership interest as on		
			31.03.2017	31.03.2016	01.04.2015
M/s. Mahaguj Collieries Ltd	India	Subsidiary	60.00%	60.00%	60.00%
M/s. UCM Coal Company Ltd	India	Associates	18.75%	18.75%	18.75%
M/s. Dhopave Coastal Power Ltd	India	Subsidiary	100.00%	100.00%	100.00%
M/s. Mahagenco Ash Management Services Ltd	India	Subsidiary	100.00%	100.00%	100.00%

Note No. - 40

The net worth of following associate/subsidiaries is eroded. Hence, Management has considered following impairment in the value of Investment and accordingly, a provision has been made in the books of accounts.

Mahagenco

Particulars	Investment including advance	Provision for Impairment
M/s. Mahaguj Collieries Limited	33.94	33.94
M/s. UCM Coal Company Limited	0.12	0.12
M/s. Dhopave Coastal Power Limited	6.31	6.31

Note No. - 40A

Outstanding balances of fellow subsidiaries at the end of financial year.

(₹ Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
MSEDCL	498.38	506.41	530.31
MSETCL	6.83	7.28	8.87

Note No. - 41**Corporate Social Responsibilities****Mahagenco**

During the year 2016 - 17, Company has spent ₹ 9.46 Crores (2015-16: ₹ 6.20 Crores) towards Corporate Social Responsibility (CSR).

(₹ Crores)

Sr. No.	Head of Expenses	2016-17	2015-16
1	Community development and welfare expenses	3.23	2.50
2	Education expenses	0.51	0.32
3	Tree Plantation	0.00	0.02
4	Jalyukta Shivar Yojna	1.06	0.81
5	Drinking water supply & construction, repairs of tubewells, hand pumps etc	0.79	0.64
6	Construction / repair of road, compound wall, RCC drain, etc	3.86	1.91
	Total	9.46	6.20

Note No. - 42

Contingent Liabilities & Commitments

Mahagenco

(₹ Crores)

I	Contingent Liabilities	31.03.2017	31.03.2016	01.04.2015
	MSPGCL may be contingently liable for interest claim of SECL, WCL and SCCL amounting to ₹ 109.00 Crs (P.Y. ₹ 59.54 Crs). plus performance incentive and short lifting ₹ 740.00 crs. (P.Y. ₹ 425.65 crs.)	849.00	485.19	11.34
	Arbitration between M/s. TATA Projects Ltd., and MAHAGENCO for Bhusawal 2x500 MW project is in progress. As a part of arbitration proceedings, M/s. TATA Projects has claimed ₹ 197 Crs. for prolongation and other cost.	197.46	-	-
	M/s Mahalaxmi Infra Project Ltd., Kolhapur, has made a claim towards construction of RCC lower Barage which has been challenged by the company and the matter is sub-judice at Bombay High Court. Pending the decision on the matter, company has recognised contingent liability of ₹ 178 crores (PY ₹ 151 Crs.)	178.33	151.13	128.08
	MSPGCL may be contingently liable for Counter claims lodged by Coal Washery Operator Amounting ₹ 169.01 crores (P. Y. ₹ 169.01 crores) towards supply of washed coal	169.01	169.01	285.93
	Imported Coal Suppliers have lodged claim towards change in railway freight and other charges. The matter is in arbitration, hence pending the decision company has recognised contingent liability of ₹ 127 Crs. (PY 52 Crs.)	127.45	52.41	11.77
	Company has recognised Contingent liabilities of approx ₹ 103.20 Crores (P.Y. ₹ 97.42 crores) towards demand of Irrigation Dept. for water supplied at Shiral Pump House and given to Ratnagiri Power & Gas Ltd.	103.20	97.49	71.97
	Other miscellaneous claims lodged against the company but not acknowledged as debt	223.11	263.57	760.80
	Total Claims	1,847.56	1,218.81	1,269.88
	Tax Demands Outstanding and disputed by the company	68.64	112.11	111.04
	Guarantees extended by the company	803.77	743.98	422.08
	Total Contingent Liabilities	2,719.96	2,074.90	1,803.01

Mahaguj Collieries Limited

	M/s AMPL has claimed compensation of ₹ 317.39 Crores (PY ₹ 317.39 Crs.) towards expenditure made in development of Machhakata coal blocks due to cancellation of coal block by Supreme Court of India which has been disputed by the company. Consequently, company has recognised contingent liability to this extent.	317.39	317.39	1,649.06
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Mahagenco

II	Commitments			
A	Estimated amount of contracts remaining to be executed on Capital Account not provided for	344.14	739.45	1763.11

Note No. - 43

Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are produced herein below :

Mahagenco

(In ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	246,000.00	137,664.50	383,664.50
(+) Permitted receipts	450,000.00	6,624,061.00	7,074,061.00
(-) Permitted payments	44,000.00	5,626,020.50	5,670,020.50
(-) Amount deposited in Banks	652,000.00	845,808.00	1,497,808.00
Closing cash in hand as on 30.12.2016	-	289,897.00	289,897.00

Mahaguj Collieries Limited

(In ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	25,000.00	3,391.00	28,391.00
(+) Withdrawals from Bank	-	30,000.00	30,000.00
(+) Permitted receipts	-	1,420.00	1,420.00
(-) Permitted payments	-	(28,191.00)	(28,191.00)
(-) Amount deposited in Banks	(25,000.00)	-	(25,000.00)
Closing cash in hand as on 30.12.2016	-	6,620.00	6,620.00

MAMSL

(In ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Withdrawals from Bank	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

Dhopave Coastal Power Limited

(In ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Withdrawals from Bank	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

Note No. - 44
Classification of Financial Assets and Financial Liabilities :

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified at Amortised Cost.

The following table shows the carrying amount

(₹ Crores)

Particulars	31.03.2017				31.03.2016				01.04.2015			
	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost	FVTPL	FVTOCI	Amortised Cost	Fair Value of items carried at Amortised cost
Financial assets												
(i) Trade Receivables			10,671.93	10,671.93			10,890.50	10,890.50			10,352.05	10,352.05
(ii) Cash and Cash Equivalents			34.06	34.06			144.33	144.33			90.26	90.26
(iii) Bank Balances other than (ii) above			-	-			-	-			-	-
(iv) Loans			54.40	54.40			410.06	410.06			143.15	143.15
(v) Other Financial Assets			2,140.32	2,140.32			1,230.90	1,230.90			858.06	858.06
Total	-	-	12,900.70	12,900.70	-	-	12,675.79	12,675.79	-	-	11,443.52	11,443.52
Financial liabilities												
(i) Borrowings			33,317.20	33,317.20			32,194.47	32,194.47			30,676.32	30,676.32
(ii) Trade Payables			1,706.39	1,706.39			1,256.59	1,256.59			3,971.89	3,971.89
(iii) Other Financial Liabilities			6,393.42	6,393.42			7,763.74	7,763.74			5,875.75	5,875.75
Total	-	-	41,417.01	41,417.01	-	-	41,214.80	41,214.80	-	-	40,523.97	40,523.97

Financial risk management
Risk management framework

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has its risk management process which has been carried out at regular interval. The following is the summary of the main risks :

44.A. Regulatory risk

The company submits the annual revenue requirement to Maharashtra Electricity Regulatory Commission, based on these approved tariffs the company raises monthly energy bills to its customers. The tariff so determined by MERC are based on the MERC (Multy Year Tariff) regulations which get revised periodically. These tariff are determined based on normative parameters as set out in the said regulations. Any change in the normative parameters or guding regulatory provisions will have impact on the income from sale of the power of the company.

44.B. Company has identified financial risk and categorised them in three parts

(i) Credit Risk, (ii) Liquidity Risk & (iii) Market Risk. Details regarding sources of risk in each such category and how Company manages the risk is explained in following notes :

44.B.1 Credit risk ;

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its

estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Company works out the expected credit losses of trade receivables (which are considered good) using the Government Bond yield as discounting factor for the respective years to assess the time value risk associated with such trade receivables. The trade receivables refer to receivables against supply of power to MSEDCL, being fellow subsidiary and sovereign entity, no credit risk has been envisaged. The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables :

(₹ Crores)

Particulars	31.03.2017		31.03.2016		01.04.2015	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Past due 0-90 days	7,725.08		7,665.49		7,947.14	
Past due 91-360 days			1,039.26		2,701.39	296.48
More than 360 days	3,740.66	793.81	2,701.39	515.65		
	11,465.74	793.81	11,406.15	515.65	10,648.53	296.48

The movement in the allowance for expected credit loss in respect of trade receivables during the year was as follows:

(₹ Crores)

Balance as at 01.04.2015	296.48
Add : Expected Credit loss recognised	219.17
Less : Amounts written off	-
Balance as at 31.03.2016	515.65
Add : Expected Credit loss recognised	278.16
Less : Amounts written off	-
Balance as at 31.03.2017	793.81

Cash and cash equivalents :

(₹ Crores)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Cash and cash equivalents	34.08	144.35	90.31

44.B.2. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. The Company has adequate borrowing limits in place duly approved by its shareholders and board. Company sources of liquidity includes operating cash flows, cash and cash equivalents, fund and non-fund based lines from banks. Cash and fund flow management is monitored daily in order to have smooth and continuous business operations.

(i) Financing arrangements

The Company has an adequate fund and non-fund based limits from various banks. The Company has sufficient borrowing limits in place duly, approved by its shareholders and board. Domestic credit rating from reputed credit rating agencies enables access of funds from domestic market. It's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. Mahagenco diversifies its capital structure with a mix of financing products across varying maturities and currencies. The financing products include, buyer's credit loan, clean & secured domestic Term loan (and Foreign Currency Loans on back to back arrangement basis through Government of India and Government of Maharashtra etc.). Mahagenco taps domestic as well as foreign financial institutions like IBRD & KFW from time-to-time to ensure appropriate funding mix and diversification of geographies.

(ii) **Maturities of financial liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ Crores)

Particulars	Contractual cash flows								
	31.03.2017			31.03.2016			01.04.2015		
	Upto 1 Year	1-3 Years	More Than 3 Years	Upto 1 Year	1-3 Years	More Than 3 Years	Upto 1 Year	1-3 Years	More Than 3 Years
Non-derivative financial liabilities									
Borrowings	11,047.76	7,060.01	17,437.93	12,645.14	6,493.02	16,261.49	6,954.82	9,211.07	15,426.22
Trade payables	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-
Total	11,047.76	7,060.01	17,437.93	12,645.14	6,493.02	16,261.49	6,954.82	9,211.07	15,426.22

44.C.3 Market Risk - Market Risk is further categorised in (i) Currency risk , (ii) Interest rate risk & (iii) Commodity risk :

44.C.3.1. Currency risk :

The Company is exposed to currency risk mainly on account of its borrowings from KfW Germany and IBRD (World Bank) in foreign currency. Our exposures are denominated in Euro and U.S. dollars. However, Company operates in rate regulatory environment. Consequently, any variation in the foreign exchange rate is allowed to be recovered from consumers at actuals. Hence, company doesn't have significant risk on account of variation in foreign currencies.

44.C.3.2 Interest rate risk

Interest rate risk exposure :

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Carrying amount in ₹ crores		
	31.03.2017	31.03.2016	01.04.2015
Fixed-rate instruments			
Financial assets	-	-	-
Financial liabilities	658.71	874.38	795.84
Variable-rate instruments			
Financial assets	-	-	-
Financial liabilities	34,886.98	34,525.28	30,796.27

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement.

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ Crores)

Particulars	Profit or loss					
	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease	25 bp increase	25 bp decrease
	31.03.2017		31.03.2016		01.04.2015	
Floating rate borrowings	87.22	(87.22)	86.31	(86.31)	76.99	(76.99)
Interest rate swaps (notional principal amount)	-	-	-	-	-	-
Cash flow sensitivity (net)	87.22	(87.22)	86.31	(86.31)	76.99	(76.99)

44.C.3.3. Commodity Risk

Company operates in rate regulatory environment. Company's cost comprises mainly of coal cost. Any variation in the coal cost is allowed to be recovered from consumers at actuals subject to performance parameters to be achieved. Hence, company doesn't have significant risk on account of variation in coal price.

Note No. - 45**Leases****Operating Lease****A. Leases as lessee**

- a) The Company enters into cancellable/non-cancellable operating lease arrangements for land, office premises, staff quarters and others. Payments made under operating leases are generally recognised in statement of Profit and Loss based on corresponding periods contractual terms of the lease, since the Company considers it to be more representative of time pattern of benefits flowing to it. The lease rentals paid for the same are charged to the Statement of Profit and Loss.

The future minimum lease payments and payment profile of non-cancellable (Hydro Plant Leases) operating leases are as under :

i. Future minimum lease payments

At March 31, the future minimum lease payments under non-cancellable leases were payable as follows :

(₹ Crores)

Particulars	31.03.2017	31.03.2016	01.04.2015
Less than one year	452.08	452.10	452.08
Between one and five years	1,812.73	1,809.84	1,809.08
More than five years	7,326.60	7,781.57	8,234.41
Total	9,591.41	10,043.51	10,495.57

ii. Amounts recognised in profit or loss

(₹ Crores)

Particulars	31.03.2017	31.03.2016
Lease expense	452.10	452.08

Ascertainment of Lease in the Power Purchase Arrangement :

The company has entered into the power purchase agreement with MSEDCL. The significant output of power generated from the Company's plants is sold to MSEDCL. Hence company tested the said power purchase arrangement in terms of Appendix C to Ind AS 17 so as to determine whether the arrangement contains element of lease. It is revealed that the arrangement conveys the right to use the assets to MSEDCL, however, the losses arising out of non-maintenance of availability of power plant for power generation are borne by Mahagenco. Accordingly, there is no transfer of risks & rewards to MSEDCL to this extent. Consequently, the arrangement does not satisfy the criteria of financial lease.

Note No. - 46**Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders

(₹ Crores)

	31.03.2017	31.03.2016
Profit attributable to equity holders for basic earnings per share	(588.95)	1,325.27
Profit attributable to equity holders for diluted earnings per share	(588.95)	1,325.27

ii. Weighted average number of ordinary shares

Particulars	31.03.2017	31.03.2016
Number of Equity shares as at	24,855,412,926	9,046,293,122
Weighted average number of shares for basic and diluted earnings per shares	24,855,412,926	9,046,293,122
Basic and Diluted earnings per share (Rupees)	(0.24)	1.48

Note No. - 47
Capital management

The Company's policy is to maintain a strong capital base so as to maintain shareholder's confidence and to sustain future development of the business. Management monitors the return on capital.

The Company monitors capital using debt equity ratio. The Company's debt to equity ratio at March 31, 2017 is as follows.

Particulars	31.03.2017	31.03.2016	01.04.2015
Long term borrowings (₹ Crores)	24,497.94	22,754.51	24,637.29
Equity share Capital (₹ Crores)	24,854.36	24,098.38	8,057.30
Debt to Equity ratio	0.99	0.94	3.06

Note No. - 48
Dividends

Mahagenco & its subsidiaries companies have not declared dividend so far.

Note No. - 49
First-time adoption of Ind AS
Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

A. Exemptions and exceptions availed

In preparing the Financial Statements, the Company has availed the below mentioned optional exemptions and mandatory exceptions.

A.1 Optional exemptions
A.1.1 Property, Plant and Equipment and Intangible Assets

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as at the date of transition to Ind ASs, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 April 2015).

A.1.2 Intangible Assets accounted for in accordance with Service Concession Arrangements

The Company has reclassified from its Property, plant and equipment certain Wind Mill Assets forming part of Service Concession Arrangements under Ind AS to Intangible assets on the date of transition. The Company has availed exemption available under Ind AS 101 to carry such wind mill assets at its IGAAP carrying values on the date of transition since it is impracticable to apply the requirements of Appendix C, Service Concession Arrangements to Ind AS 11 retrospectively.

A.1.3 Designation of previously recognised financial instruments

As per Ind AS 101, the Company has designated its investment in equity shares held as at 1 April 2015 as fair value through other comprehensive income (FVTOCI) based on facts and circumstances on the date of transition to Ind AS (i.e. 1 April 2015).

The Company has availed this exemption for its investment in equity shares other than Subsidiaries, Joint Ventures and Associates.

A.1.4 Investment in Subsidiaries, Joint Ventures and Associates

The Company has availed the exemption available under Ind AS 101 to measure its investments in subsidiaries, joint venture and associates as the IGAAP carrying value as deemed cost as on 1 April 2015.

A.1.5 Long term foreign currency monetary items

For borrowings taken upto 31 March 2016, the Company has availed the exemption under Ind AS 101 to continue recognising foreign exchange differences on long-term foreign currency monetary items. Accordingly, exchange difference relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the Borrowings.

A.2 Ind AS mandatory exceptions**A.2.1 Estimates**

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with IGAAP. Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

As permitted under Ind AS 101, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B Reconciliations between previous GAAP and Ind AS**B.1. Reconciliation of Balance Sheet as at 31 March 2016 and 1 April 2015 (date of transition) :** (₹ Crores)

Particulars	31.03.2016			01.04.2015		
	IGAAP*	Ind as Adjustment	Ind as	IGAAP*	Ind as Adjustment	Ind as
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	27,654.91	7.89	27,662.81	18,241.82	4,965.21	23,207.01
Capital Work-in-Progress	17,313.91	0.00	17,313.91	20,576.83	0.00	20,576.83
Intangible Assets	16.17	-	16.17	16.16	-	16.16
Intangible assets under development	120.78	0.00	120.78			
Financial Assets :						
Investment in Subsidiaries, Joint Ventures and Associates	(0.02)	(6.18)	(6.20)	0.03	0.08	0.11
Trade Receivables	3,740.66	(515.65)	3,225.01	2,701.39	(296.48)	2,404.91
Loans						
Other Non-Current Assets	548.82	542.23	1,091.05	1,075.64	466.21	1,541.85
Total Non Current Assets	49,395.23	28.29	49,423.52	42,611.87	5,135.02	47,746.88
Current assets						
Inventories	1,902.51	0.00	1,902.51	1,423.16	(0.00)	1,423.16
Financial Assets						
Trade Receivables	7,665.49	-	7,665.49	7,947.14	-	7,947.14
Cash and Cash Equivalents	144.35	(0.00)	144.35	90.31	0.00	90.31
Bank Balances other than (iii) above	-			-		-
Loans	443.66	(33.59)	410.06	189.33	(46.18)	143.15
Others Financial Assets	1,231.07	(0.00)	1,231.07	865.27	0.00	865.27
Current Tax Assets (Net)						
Other Current Assets	1,575.19	-	1,575.18	1,605.61	(0.00)	1,605.61
	12,962.27	(33.59)	12,928.68	12,120.82	(46.18)	12,074.64

Assets classified as held for Sale / Disposal	134.17	-	134.17	46.46	-	46.46
Total Current Assets	13,096.44	(33.59)	13,062.84	12,167.29	(46.18)	12,212.11
Total Assets	62,491.67	(5.31)	62,486.36	54,779.15	5,088.84	59,867.99
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	24,098.38	-	24,098.38	8,057.30	-	8,057.30
Other Equity	(5,856.70)	153.03	(5,673.67)	3,175.99	5,145.53	8,321.53
Total equity	18,271.68	153.03	18,424.71	11,233.30	5,145.53	16,378.83
Liabilities						
Non Current Liabilities						
Financial Liabilities						
Borrowings	22,778.71	(24.20)	22,754.51	24,661.03	(23.74)	24,637.29
Provisions	803.37	-	803.37	838.43	-	838.43
Deferred Tax Liabilities (Net)	1,524.27	9.03	1,533.31	1,471.69	57.69	1,529.38
Other Non-Current Liabilities	240.79	(17.04)	223.75	204.96	1.34	206.29
Total Non Current Liabilities	25,347.15	(32.21)	25,314.94	27,176.11	35.28	27,211.39
Current Liabilities						
Financial Liabilities						
Borrowings	9,439.96	0.00	9,439.96	6,039.03	-	6,039.03
Trade Payables	1,382.63	(125.98)	1,256.65	4,063.74	(91.84)	3,971.90
Other Financial Liabilities	7,763.90	(0.15)	7,763.75	5,875.95	(0.15)	5,875.80
Other Current Liabilities	31.13	(0.00)	31.13	31.17	0.00	31.17
Provisions	255.22	-	255.22	237.87	-	237.87
Current Tax Liabilities (Net)	0.00	-	0.00	121.99	(0.00)	121.99
Total Current Liabilities	18,872.84	(126.12)	18,746.72	16,369.75	(91.98)	16,277.77
Total Equity and Liabilities	62,491.67	(5.31)	62,486.36	54,779.15	5,088.84	59,867.99

*IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B.2. Reconciliation of Equity as at 31 March 2016 and 1 April 2015 :

(₹ Crores)

Particulars	Note	31.03.2016	01.04.2015
Net worth under IGAAP - (A)		18,271.68	11,233.30
Summary of Ind AS adjustments :			
Provision for depreciation (Govt Grant Assets)	B.2.1	(0.46)	
Depreciation on Assets w.r.t Trifurcation order	B.2.2		(9,045.03)
Fair value of Disposed Assets written off w.r.t. Trifurcation order	B.2.2		(1,108.87)
Unused Government Grant balance written off	B.2.7	0.15	0.15
Amortization of Govt Grant	B.2.7	0.46	-
Government Grant	B.2.7	25.55	7.63
Quasi equity	B.2.11	(15.57)	(22.36)
Impairment of trade receivables - expected credit loss method	B.2.4	(515.65)	(296.48)
Lease rentals as per Straight Line Method	B.2.5	563.73	477.98
CSR Expenditure capitalized written off	B.2.6	(0.61)	(0.61)
Performance incentives	B.2.8	125.98	91.84
Share Application money pending allotment	B.2.2	-	15,110.76
Supply Scheme	B.2.10	(21.50)	(11.77)
Deferred tax	B.2.12	(9.03)	(57.69)
Total Ind AS adjustments - (B)		153.03	5,145.53
Net worth under Ind AS - (A + B)		18,424.71	16,378.83

B.3. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2016 :

(₹ Crores)

Particulars	2015 - 16		
	IGAAP*	Ind AS Adjustment	Ind AS
Revenue			
Revenue From Operations			
Sale of Power	18,237.26	0.00	18,237.26
Other Operating Revenues	1,056.16	-	1,056.16
	19,293.42	0.00	19,293.42
Other Income	103.65	69.09	172.75
Total Income	19,397.08	69.09	19,466.17
Expenses			
Cost of Materials Consumed	11,375.16	(57.44)	11,317.72
Employee Benefits Expense	1,269.35	(52.42)	1,216.92
Finance Costs	2,008.21	(5.71)	2,002.49
Depreciation & Amortization Expense	1,275.72	358.08	1,633.80
Other Expenses	1,740.97	206.60	1,947.57
Total Expenses	17,669.41	449.10	18,118.51
Profit Before exceptional items and Tax	1,727.67	(380.01)	1,347.65
Exceptional Items	10,479.20	(10,479.20)	-
Profit Before Tax	(8,751.53)	10,099.18	1,347.65
Tax expense :			
Current tax	0.00	-	0.00
Deferred tax	52.58	(48.66)	3.92
Provision for Tax for Earlier years written back (net)			
Tax Expenses	52.58	(48.66)	3.93
Profit/(loss) for the period	(8,804.11)	10,147.84	1,343.73
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurements of the defined benefit plans;	-	(54.29)	(54.29)
Equity Instruments through Other Comprehensive Income;			
Income tax relating to items that will not be reclassified to			
Other Comprehensive Income for the year, net of tax	-	(54.29)	(54.29)
Total Comprehensive Income for the year, net of tax	(8,804.11)	10,093.55	1,298.44

*IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B.4. Reconciliation of Statement of Profit and Loss for the period ended 31 March 2016 :

(₹ Crores)

Profit for the year as per IGAAP	2015-16	
	A	(8,804.11)
		-
Summary of Ind AS adjustments :		-
Lease rentals as per Straight Line Method	B.2.5	85.75
Amortization of Govt Grant	B.2.7	0.46
Extra ordinary Depreciation written off w.r.t. Trifurcation order	B.2.2	9,411.37
Extraordinary item written off w.r.t. Trifurcation order	B.2.2	1,108.87
Write back of performance incentive	B.2.8	34.14
Provision for depreciation w.r.t Govt Grant Assets)	B.2.1	(0.46)
Depreciation for the year 2015-16 for Assets w.r.t. trifurcation order	B.2.2	(366.34)
Impairment of trade receivables - expected credit loss method	B.2.4	(228.90)
Deferred Tax impact of Ind AS Adjustments	B.2.12	48.66
Total Ind AS adjustments	B	10,093.55
Profit for the year as per Ind AS	A + B	1,289.44

B.5. Statement of Cash Flows

The transition from IGAAP to Ind AS has not made a material impact on Statement of Cash Flows.

Note B.2.1 Property, Plant and Equipment

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as at the date of transition to Ind ASs, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 April 2015).

Under IGAAP, the Company has accounted certain Property, Plant & Equipment net of related Government grant. As per Ind AS 20, the carrying amount of such Property, Plant & Equipment have been increased by related government grant.

Consequently, there is also an increase in the amount of depreciation charged to the Statement of Profit and Loss.

Note B.2.2. Impact of Maharashtra Electricity Reforms Transfer Scheme, 2016 :

MSPGCL came into existence as a part of restructuring of erstwhile MSEB vide notification dated 05-06-2005. As a part of this scheme, the assets and liabilities of MSEB got vested with the Government of Maharashtra and revested to newly created companies including MSPGCL. The said transfer scheme was provisional in nature. Subsequently, vide GR dated 31-03-2016, Government of Maharashtra issued Amendment in Transfer Scheme with revised values of fixed assets on one hand and consequent increase in equity share capital on another hand. As per Clause 3 of the GR, "Maharashtra Electricity Reforms Transfer Scheme, 2005" is amended and clause 10A is inserted in respect of Asset Valuation. As per this clause, "The transfer of the Fixed Assets hitherto held by the Maharashtra State Electricity Board and taken over by the Government of Maharashtra in terms of the Government notification shall be considered to have been transferred to the respective transferees at the market value prevailing on 05-06-2005".

As per this scheme the net fixed assets value of the Company as on 05-06-2005 has been increased from ₹ 3,566 Crores to ₹ 18677 Crores resulting into increase in the value of Net fixed assets by ₹ 15,111 Crores and allotment of equity share capital of the equivalent amount to MSEB Holding Company Limited. As 2015 being a transitional period the Balance sheet as on 01-04-2015 is restated by giving impact of this event. Subsequently, ₹ 15,111 Crores is shown in share application money pending allotment since the allotment of the same is made in 2016. Accordingly, the Gross value of individual assets have been increased by ₹ 15,111 Crores in the proportion of respective gross value as on 05-06-2005 & the year wise depreciation is calculated on revised value of individual assets till 01-04-2015 & given effect of the same. This resulted in increase in depreciation amounting to ₹ 9,045 Crores in 2015. Further, the assets which were present as on 05-06-2005 & has been written off during subsequent years, the revised value of such assets amounting to ₹ 1,109 Crores has also been written-off as on 01-04-2015. Both the above items had been presented as extra ordinary items in F.Y. 2015-16 which was reversed under retained earning as the balance sheet as on 01-04-2015 was restated & the balance of extraordinary item i.e. depreciation pertaining F.Y. 2015-16 was carried under the head depreciation for the year in F.Y. 2015-16 through Statement of Profit & Loss.

Note B.2.3. Investment in Subsidiaries and Joint Venture

Under IGAAP, investment in subsidiaries and joint venture were carried at its Cost. The Company has availed the exemption available under Ind AS 101 to measure its investments in subsidiaries and joint venture as of the IGAAP carrying value as deemed cost as on 1 April 2015.

Note B.2.4. Trade Receivables

Under IGAAP, the Company recognised provision on Trade Receivables based on specific provisions to reflect the Company's expectation. Under Ind AS, impairment of Trade Receivables shall be recognised based on Expected Credit Loss.

Accordingly, Company has recognised impairment loss on Trade Receivables at transition date in Opening Retained Earnings and in Statement of Profit and Loss for Financial Year 2015 - 16.

Note B.2.5. Lease on Straight Line Method Basis

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any

incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

Note B.2.6. CSR Expenditure

Expenses incurred on CSR and capitalized at Chandrapur Thermal Power Station, was not meeting the Property, Plant and Equipments criteria as per Ind AS 16, hence, the same has as sets been written-off as on 01.04.2015.

Note B.2.7. Capital Government Grants

Under the previous GAAP, Capital grant related to Property, plant and equipments were presented as a reduction from cost of respective Capital assets. However as per Ind AS, the same is presented as 'Deferred Government Grant' under the head liability. The deferred grant revenue is released to the Statement of Profit or Loss over the expected useful life of the underlying asset.

Note B.2.8. Prior Period Items :

The company has restated the fianacial statements of previous year in case the total amount of Income / expenditure (Net) pertaining to previous year is more than threshold limit. Performance incentive write back being prior period item, the effect of the same has been accorded in FY 2015-16.

Note B.2.9. Actuarial gains / (losses)

Both under the previous GAAP and Ind AS, the Company recognised costs related to its post employment defined benefit plans on an actuarial basis. Under previous GAAP the entire cost, including actuarial gains and losses are charged to the Statement of Profit and Loss. Under Ind AS, remeasurement (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income and the corresponding tax effect is also given in Other Comprehensive Income. However, this has no impact on the total comprehensive income and total Equity as on 1 April 2015 as well as 31 March 2016.

Note B.2.10 Impairment of Financial asset i.e. Advance for Water Supply Scheme :

Advance was given to Executive Engineer, Water Resource Department, Government of Maharashtra for Wani Sawangi Water Supply Scheme at Parli TPS,, the said scheme has been suspended subsequently. As the amount is recoverable & falls under the category of Financial asset, tested for impairment and time value provision has been made against the said advance.

Note B.2.11. Quasi Equity

The interest free loan extended by Mahagenco to it's susidiaries have been treated as quasi equity.

Note B.2.12. Deferred tax assets / (liabilties) (net)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on Ind AS adjustments which was not required under Indian GAAP.

The table below summaries the deferred tax impact of adjustments considered on transition to Ind AS :

	31.03.2016	01.04.2015
Lease rent receivable	29.15	162.47
Impairment on water supply advance	(3.31)	(4.00)
Deferral of sales	-	-
Trade receivables	(74.49)	(100.77)
Deferred tax on capitalization of exchange differences*	-	-
Others		
Tax Expense / (Income)	(48.66)	57.69

Long Term Borrowing (Annexure A)

Sr. No.	Particulars of Lender	Nature of Loan	Loan to be repaid within 1 year treated as current liability (₹ in Crores)	Net long term borrowings (₹ in Crores)	Mode of Repayment	Rate of Interest	Nature of security
1	PFC	New Parali Expansion Project Enhancement Of Loan Amount	24.41	-	40 equal quarterly installments: commenced from July 2007	10.22%	Hypothecation of Steam Generator And Accessories of New Parli TPS Unit 1
2	PFC	Paras TPS Extension 1x250 M.w. Coal Based Power Projectat Paras	88.20	88.20	48 equal quarterly installments: commenced from April 2007	10.22%	Mortgage/ Hypothecation of Future Assets to be Created for Project Together with Land
3	PFC	New Parli Expansion Project Unit 2	71.27	570.14	60 equal quarterly installments: commenced from April 2011	10.22%	Mortgage/ Hypothecation of Future Assets to be Created for Project Together with Land
4	PFC	Paras Expansion Project Unit 2	88.30	711.75	60 equal quarterly installments: commenced from April 2011	10.22%	Mortgage/ Hypothecation of Future Assets to be Created for Project Together with Land
5	PFC	Koradi TPS Expansion Project (3x600 MW)	461.05	7289.93	60 equal quarterly installments: commencing from July 2017	9.45% & 9.98%	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.
6	PFC	Procurement Of Rotor	0.41	-	40 equal quarterly installments: commenced from January 2008	10.22%	
7	PFC	R & M Of Chandrapur TPS	2.78	-	40 equal quarterly installments: commenced from July 2007	10.22%	
8	PFC	Procurement Of Simulator For 500 MW Units At Chandrapur TPS	0.09	-	40 equal quarterly installments: commenced from July 2007	10.22%	
9	PFC	Procurement Of Generator Stator - Bhusawal TPS	0.36	-	40 equal quarterly installments: commenced from July 2007	10.22%	

10	PFC	Replacement Of Existing Operating System (OS) & Information System (IS) For Waste Heat Recovery Unit I & II (2x120 MW) GTPS Uran	0.05	-	40 equal quarterly installments: commenced from October 2007	10.22%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to ₹ 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath
11	PFC	Installation Of Ammonia Flue Gas Conditioning System Of 210 MW Units	0.48	0.36	40 equal quarterly installments: commenced from January 2009	10.22%	
12	PFC	R & M Works Of Koradi TPS	1.30	4.55	48 equal quarterly installments: commenced from October 2009	10.22%	
13	PFC	R & M Works Of Bhusawal, Parli & Paras	0.33	1.16	45 equal quarterly installments: commenced from October 2009	10.22%	
14	PFC	R & M Works Of Nasik TPS U - 1 & 2	1.42	4.97	45 equal quarterly installments: commenced from October 2009	10.22%	
15	PFC	Upgradation Of Rly Siding System At Nasik TPS	2.08	7.29	48 equal quarterly installments: commenced from October 2009	10.22%	
16	PFC	Procurement Of 250 MVA Generator Transformer For Koyana	0.31	0.61	48 equal quarterly installments: commenced from April 2008	10.22%	
17	PFC	Ash Bund For Koradi TPS	1.78	6.23	48 equal quarterly installments: commenced from October 2009	10.22%	
18	PFC	R & M Scheme Of Replacement Of Boiler Economizer / LTSH Coils And Water Wall Panels Required For Various TPS Of MSPGCL	3.37	15.16	48 equal quarterly installments: commenced from October 2010	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
19	PFC	Procurement Of LP Rotor As A Common Spare For Unit 5,6 & 7 Of Chandrapur STPS	2.39	16.70	48 equal quarterly installments: commenced from April 2013	10.22%	
20	PFC	Buyers Line Of Credit - Capex Schemes For Existing Power Plants	31.58	185.55	40 equal quarterly installments: commenced from October 2013	10.22%	
21	PFC	1 MW Solar Chandrapur	1.39	1.05	32 equal quarterly installments: commenced from January 2011	9.43%	Hypothecation of Present & Future Assets Created / to be Created for Subject Project.

22	PFC	R & M of Unit 5, 6 & 7 of Koradi TPS	0.47	6.29	60 equal quarterly installments: commenced from October 2016	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
23	PFC	R & M of Water Supply System of Parli TPS From Majalgaon Lift Irrigation Scheme.	-	142.00	40 equal quarterly installments: commenced from October 2018	10.00%	Assets of Parli TPS Unit 3, 4 & 5 together with land
24	PFC	R & M of Boiler & Turbine Improvement Scheme of Chandrapur STPS.	-	67.56	60 equal quarterly installments: commencing from October 2018	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
25	PFC	R & M of Ash Handling System of Unit 5 & 6 of CSTPS Chandrapur STPS.	0.33	4.44	60 equal quarterly installments: commenced from October 2015	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
26	PFC	R & M of Condenser Cooling System of Unit 5 & 6 of Cstps	0.78	14.34	60 equal quarterly installments: commenced from October 2015	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
27	PFC	R&M For Process Improvement At Unit 3, 4 & 5 of Nashik TPS Stage-II (3x210 MW).	-	1.31	40 equal quarterly installments: commencing from July 2019	10.22%	Assets of Parli Tps Unit 3, 4 & 5 together with land
28	PFC	R & M For Measuring & Monitoring of Coal Consumption of Bhusawal TPS	0.03	0.38	60 equal quarterly installments: commenced from October 2016	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
29	PFC	R & M For Boiler & Turbine Improvement (station Heat Improvement) Scheme of Bhusawal TPS.	0.45	6.94	60 equal quarterly installments: commenced from October 2016	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
30	PFC	R & M for Turbine Auxiliary Performance Improvement Scheme of Bhusawal TPS.	0.52	7.02	60 equal quarterly installments: commenced from October 2016	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
31	PFC	R & M for Replacement of BFP (200 KHI) cartridge with energy efficient cartridge for Unit 3, 4 & 5 of Parli TPS.	0.50	6.24	60 equal quarterly installments: commencing from October 2015	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land
32	PFC	Renovation and Upgradation of GT Automation System, Starting Frequency converter & Static Excitation system of unit 7 & 8, Stage-II of Uran GTPS	1.19	13.96	60 equal quarterly installments: commenced from Jan 2015	10.22%	Assets of Parli TPS Unit 3, 4 & 5 together with land

33	PFC	Procurement of High Pressure Turbine (HPT Module for Khaperkheda TPS Unit 1 & 2.	-	27.57	60 equal quarterly installments: commencing from April 2018	10.22%	Movable assets of Nashik TPS Unit 3, 4 & 5.
34	PFC	R & M for Turbine Auxiliary Consumption Improvement at Stage II (Unit 3, 4 & 5 3x210 MW), Nashik TPS.	1.12	12.90	60 equal quarterly installments: commenced from October 2014	10.22%	Movable assets of Nashik TPS Unit 3, 4 & 5.
35	PFC	Construction of Concrete Road from Nashik-Pune Highway to Booster Pump House at Nashik TPS	0.73	9.97	60 equal quarterly installments: commenced from Jan 2017	10.22%	Movable assets of Nashik TPS Unit 3, 4 & 5.
36	PFC	Expediting unloading of Coal Wagons by Up-grading the existing system in Maharashtra. (DPR of Nashik TPS)	0.11	1.39	60 equal quarterly installments: commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3, 4 & 5.
37	PFC	Various Schemes of KGSC, Phophali in Maharashtra	0.47	5.82	60 equal quarterly installments: commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3, 4 & 5.
38	PFC	Power supply arrangement at Colony, separate 25 KV OHE supply feeding arrangement to BESH siding & providing of passenger elevators at Paras TPS	0.13	1.60	60 equal quarterly installments: commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3, 4 & 5.
39	PFC	Various Schemes of Small Hydro Stations in Maharashtra (Pune SHPC and Nashik SHPC	0.03	0.33	60 equal quarterly installments: commenced from October 2015	10.22%	Movable assets of Nashik TPS Unit 3, 4 & 5.
40	REC	Bhusawal Expansion Project	430.99	3878.93	48 equal quarterly installments: commenced from March 2016	10.22%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
41	REC	Chandrapur Expansion Project	345.20	5177.97	48 equal quarterly installments: commencing from Sep 2017	10.00%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
42	REC	Parli Replacement Project	100.19	1502.84	48 equal quarterly installments: commencing from Sep 2017	10.00%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land

43	REC	Koradi Project (3x660 MW) - Debt Refinancing	210.53	1789.47	38 equal quarterly installments commencing from June 2017	9.75%	Mortgage/ Hypothecation of present & Future assets created / to be created for subject project together with Land
44	REC	Procurement of Spare HPT Module for Khaperkheda TPS	2.92	17.52	7 equal annual installments commencing from 15 Jan 2018	11.15%	Hypothecation of Future assets to be created from the R & M Scheme
45	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	0.59	3.51	7 equal annual installments commencing from 15 Feb 2018	11.15% to 12.00%	Hypothecation of Future assets to be created from the R & M Scheme
46	REC	ESP Restoration / Refurbishment (Improvement in Stack emission control) Unit 5, 6 & 7. Chandrapur STPS	0.15	0.87	7 equal annual installments commencing from 15 Mar 2018	11.15% to 12.00%	Hypothecation of Future assets to be created from the R & M Scheme
47	REC	Measurement & monitoring of coal consumption. At Nashik TPS	0.85	5.10	7 equal annual installments commencing from 15 Mar 2018	11.15% to 11.40%	Hypothecation of Future assets to be created from the R & M Scheme
48	REC	Input Source measurement scheme (Fuel oil, water, Auxiliary power & coal flow) - Chandrapur STPS	0.25	1.50	7 equal annual installments commencing from 15 Jan 2018	11.15% to 12.00%	Hypothecation of Future assets to be created from the R & M Scheme
49	South Indian Bank	Capex (Long term) for funding of capital expenditure of existing Power Stations	15.00	63.72	40 quarterly installments of ₹ 3.75 crores commenced from Aug 2012	Base rate (floating) (presently 10%)	Movable assets (BPO mechanical package) of Parli Unit - 6
50	Housing & Urban Development Corporation Ltd. (HUDCO)	Construction of Staff Quarters at Koradi Project 3x660 MW	3.00	9.02	32 quarterly installments of ₹ 75.05 lacs commenced from 31.05.2015	Floating rate (10.00%)	Mortgage/ Hypothecation of Future assets to be created for construction of staff quarters together with Land
51	State Bank of India	Debt Refinancing loan for Khaperkheda TPS Expn Unit-5 (500 MW)	172.40	1939.31	51 equal quarterly installments started from October 2016	MCLR + 0.35% presently 9.40%	Mortgage/ Hypothecation of all Movable & Immovable assets of Khaperkheda TPS Unit-5 (500 MW)

52	PFC	Renovation, Modernisation, & Life Extension of Koyana Hydro power Station Stage III	0.24	-	40 equal quarterly installments commenced from July 2007	10.22%	Unsecured - backed by GOM Guarantee
53	PFC	Renovation, Modernisation of Koyana HPS Stage - I & II	0.17	-	40 equal quarterly installments commenced from July 2007	10.22%	Unsecured - backed by GOM Guarantee
54	KfW - Germany	Establishment of 150 M.W Solar Power Plant at Sakri - Dhule	90.48	514.30	21 semi annual installments commenced from 31.12.2013	Fixed rate (1.96%)	Unsecured - Back to Back arrangement GoM & Govt of India.
55	KfW - Germany	Establishment of Solar Power Plant at Baramali & Other Places	53.94	-	21 semi annual installments commenced from 31.12.2013	Fixed rate (1.96%)	Unsecured - Back to Back arrangement GoM & Govt of India.
56	IBRD - World Bank	Funding for Koradi TPS Unit-6 EE R & M	7.10	159.20	50 semi annual Installments beginning from 15.12.2014 till 15.6.2039	Six Month LIBOR+ Variable Spread (1.66%)	Unsecured - Back to Back arrangement GoM & Govt of India.
57	GOM	URAN GTPS CAPEX	0.03	-	120 equal monthly installments commenced from April 2008	11.50%	Unsecured
58	M/s Clean Sustainable Solar Energy Pvt. Ltd.	Construction Cost for 50MW Solar Power Project at Shirsuphal	4.27	201.05	To be repaid in monthly installments over 20 years from FY 2015-16	18%	Unsecured
		TOTAL	2228.49	24497.94			

Short Term Borrowing (Annexure B)

Sr. No.	Particulars of Lender	Outstanding balance as on 31.03.17 (₹ in Crores)	Terms of Repayment	Rate of Interest	Nature of security
1	Bank of India	283.80	Sanctioned for a period of one year and renewal on yearly basis	Rate of interest is based on Bank's MCLR (Presently 8.50%)	Book debts and stocks along with collateral security in the form of charge on movable assets of Khaperkheda TPS Unit 1,2,3 & 4
2	Bank of Maharashtra	-		Rate of interest is based on Bank's MCLR (Presently 9.70%)	
3	Canara Bank	1,684.17		Rate of interest is based on Bank's MCLR (Presently 8.45%)	
4	Indian Bank	324.96		Rate of interest is based on Bank's MCLR (Presently 8.50%)	
5	Central Bank of India	40.92		Rate of interest is based on Bank's MCLR (Presently 8.50%)	
6	State Bank of India	1,099.08		Rate of interest is based on Bank's MCLR (Presently 8.40%)	
7	Indian Renewable Energy Development Agency Lts. (IREDA)	450.00	6 month from the date of availment	Fixed rate of interest (Presently 9.00%)	Unsecured
8	Indian Renewable Energy Development Agency Lts. (IREDA)	500.00	6 month from the date of availment	Fixed rate of interest (Presently 9.00%)	Unsecured
9	Indian Bank	50.00	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.50%)	Unsecured
10	Syndicate Bank	455.76	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.40%)	Unsecured
11	Vijaya Bank	182.10	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.55%)	Unsecured
12	Canara Bank	500.00	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.40%)	Unsecured
13	Bank of India	1,000.00	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.50%)	Unsecured
14	Bank of India	230.81	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.50%)	Unsecured
15	Canara Bank	500.00	1 year from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.45%)	Unsecured
16	Syndicate Bank	500.00	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.40%)	

17	Syndicate Bank	500.00	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.40%)	
18	Syndicate Bank	44.24	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.40%)	
19	Syndicate Bank	86.35	1 year from the date of availment	Rate of interest is based on Bank Base Rate (Fixed) (Presently 9.45%)	Unsecured
20	Vijaya Bank	117.90	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.55%)	Unsecured
21	Bank of India	140.95	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.50%)	Unsecured
22	Bank of India	128.24	3 month from the date of availment	Rate of interest is based on Bank's MCLR for STL (Presently 8.50%)	Unsecured
	Total	8,819.26			

Projects Features



Sakri Solar



Uran



Chandrapur Project



Koradi (3 X 660 MW)



Koradi TPS Natural Draft Cooling Tower



Parli U 8 Wagon Tippler



Parali U 8 Stacker Reclaimer



Koradi U 8 - 660 MW

Our Vision....

*“Generating adequate Power for Maharashtra on
a sustainable basis at Competitive rates in a
socially responsible manner”.*



Maharashtra State Power Generation Company Limited

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