



**MAHARASHTRA STATE POWER
GENERATION COMPANY LIMITED**

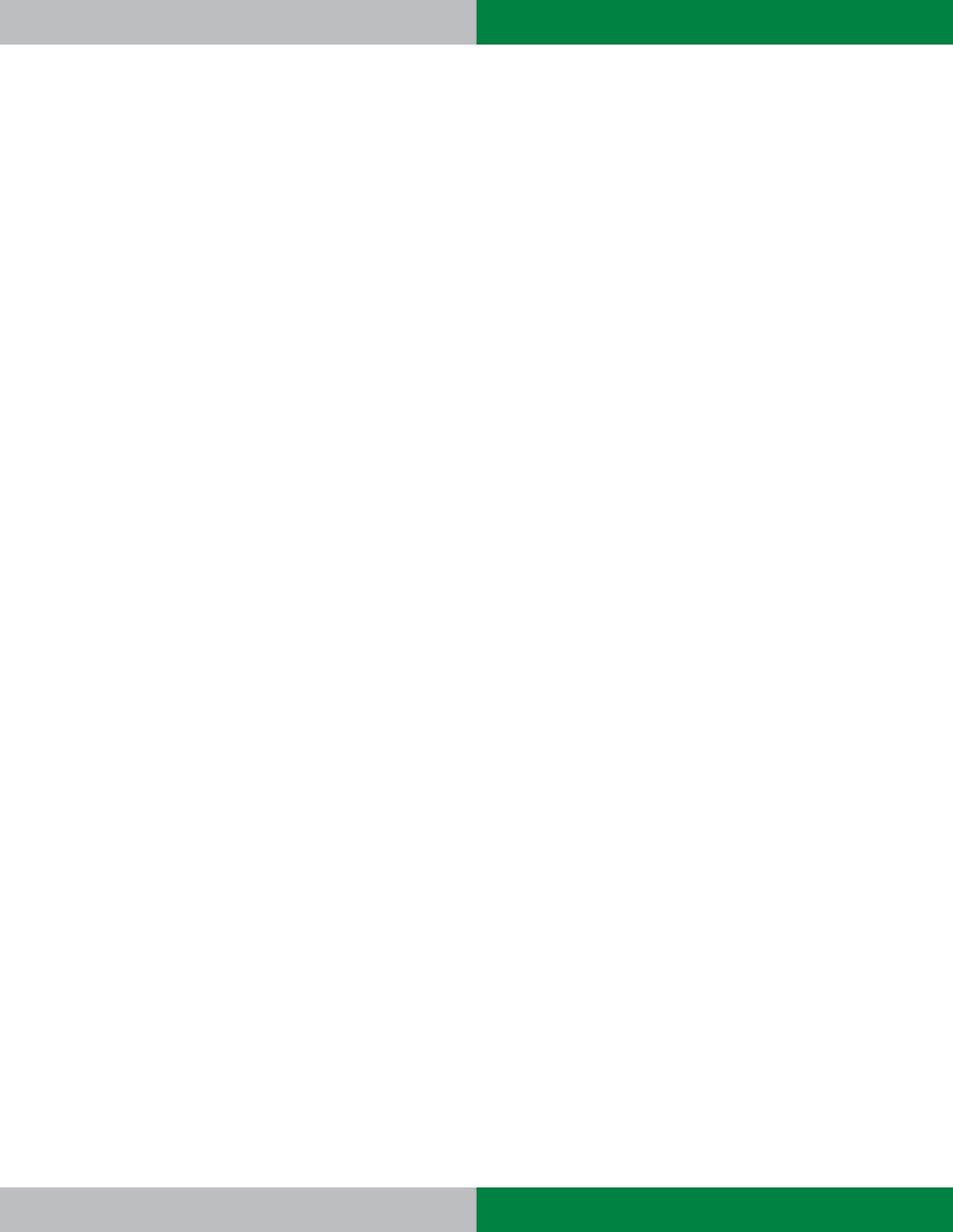
**ANNUAL REPORT
2015 - 16**



Annual Report 2015 - 2016

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Maharashtra State Power Generation Co. Ltd.

Board of Directors (from 01.04.15 up to 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)
Director (Mining)	Shri Shyam Wardwane (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)
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)
Director	Shri Vishwas Pathak (w.e.f. 21.07.2015)

Directors' Report

Dear Members

Your Directors are pleased to present the 11th Annual Report and the audited annual accounts for the year ended 31st March 2016.

Financial Results (Stand alone)

(Amount in `)

	2015-16	2014-15
MU's generated gross		49313
Income		
Revenue from Sale of Power(net)	19293	18970
Other Income	103	267
Gross Income	19396	19237
Expenditure		
Cost of Material consumed	11375	12182
Other Exp	1732	1595
Employee Cost	1268	1415
Depreciation/ amortization	1276	1092
Finance Cost	2008	1952
Prior Period Items (Net)	(41)	(8)
Net Profit before tax and extraordinary items	1778	1009
Extraordinary Items (Extra Ordinary Depreciation charged on finalization of FRP)	10520	----
Profit before Tax	(8742)	1009
Tax (net)	52	573
Net Profit after tax	(8794)	436

Performance

(A) Financial Performance

During the year under review, the income from sale of power increased by 1.70% from Rs 18970 crores to Rs 19293 crores. Increase in revenue from sale of power was due to MERC True up order for the earlier years as well as increase in generation due to new units. Other income during this period decreased by 61.18% by Rs 163 crores thereby making overall increase in total income by 0.83%. The cost of material consumed decreased from Rs 12182 crores to Rs 11375 crores. The main reason for decrease in this cost was decrease in imported coal by Rs 804 Crs. The Finance cost increased by 2.85% from Rs 1953 crores to Rs 2008 crores mainly on account of full impact of interest burden on commissioning of Koradi Unit -8. Employee cost has decreased from Rs 1415 crores to Rs 1268 crores (10.36%) due to decrease in leave encashment and gratuity provision which was higher due to pay revision impact previous year. Depreciation /amortization have increased by 16.75 % due to Koradi U-8 commissioning and impact of life based depreciation. The other expenses have increased from Rs 1595 crores to Rs 1732 crores which is mainly attributed to foreign exchange loss of Rs 94 Crs and increase in provisioning of old balances and normal increase in general expenses etc. Consequently, there is overall profit before tax was Rs 1778 Crs as against Rs 1009 Crs previous year. During the year under review extra-ordinary depreciation of Rs 10520 Crs was charged to revenue due to finalization of Financial re-structuring plan of erstwhile MSEB. As a result there is overall net loss of Rs 8794 crores as against profit of Rs 436 crores of previous year.

(B) Operational Performance

Your company has total Installed Capacity of 11657 MW as on 31st March 2016. This consists of 8220 MW thermal, 672 MW Gas, 2585MW Hydro and 180MW Solar.

During the year your company generated total 47699 MU's (Thermal 40655MU ,Gas 2888MU, Hydro 3863MU and Solar 293MU).

- During the year 2015-16, for coal-fired plants, the average availability factor was 70.12% as against 78.74% of last year.
- The plant load factor was 56.02% as against 58.95% of last year.

During the year under review some of units of the company could not be run due various factors viz water shortage, economic shutdown, R&M work and decommissioning of vintage units

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

- a. Parli U-3 – 27.06.2015 to 31.03.2016
- b. Parli U-4 – 05.07.2015 to 31.03.2016
- c. Parli U-5 – 06.07.2015 to 31.03.2016
- d. Parli U-6 – 25.06.2015 to 31.03.2016
- e. Parli U-7 – 08.07.2015 to 31.03.2016

Following units were under economic shutdown as per MERC order-

- a. Chandrapur U-1- 01.04.2015 to 30.06.2015
- b. Bhusawal U-2- 01.04.2015 to 30.06.2015
- c. Koradi U-6- 01.04.2015 to 30.06.2015

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

- d. Koradi U-6- 01.07.2015 to 31.03.2016

Following units were decommissioned and retired.

- a. Chandrapur U-1 from 18-03-2016
- b. Chandrapur U-2 from 18-03-2016

For gas based plants, average availability was 98.31% and PLF was 48.93% due to less gas receipt.

The other operational performance factors are as below:-

- The Realisation of Coal for the current year was 80.60% as against 71.32% of previous year.
- Specific coal consumption for the current year was 0.813 Kg/ Kwh as against 0.860 Kg/ Kwh of last year.
- The Boiler tube leakage percentage for the current year was 2.13% as against 3.55% of last year.
- Specific oil consumption for the current year was 0.89 ml/Kwh as against 1.20 ml/Kwh of last year.
- The auxiliary consumption was 9.11% as against 9.79% of last year.
- The average gross calorific value of coal fired during the year was 3159 Kcal/Kg.
- The heat rate for the current year was 2576 Kcal/kwh.
- The transit loss for the current year was 0.93% as against 0.63% for last year.

• **Mahagenco highlights during the year 2015-16**

- Lowest Sp. oil cons. - 0.89 ml/Kwh (Normative-1.81 ml/kwh)
(Previous 1.20 ml/kwh in FY 2014-15)

- Lowest outages due to BTL -2.13%
(FY 2014-15 – 3.55%)
(Previous – 2.29% in FY 2011-12)
- Lowest heat rate of TPS -2576 Kcal/Kwh (Normative- 2618 kcal/kwh)
(Previous – 2602 Kcal/Kwh in FY 2014-15)
- Loadability of 14 thermal units is above 80%
- PLF of 12 Thermal Units is above 70%
- AVF of 16 units is above 80%.

	2014-15	2015-16
PLF(%) as per CEA	58.95%	56.02
PLF(%) excl. closed units (water shortage, eco/ reserve shutdown) and incl. backing down	67%	76.72

- Paras TPS ranked 18th on All India basis in PLF (80.97%).

Dividend

The company has incurred a loss of Rs.8794/- 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. Status of ongoing and future projects are as under:

(A) Existing Capacity added during the year

During the year 2015-16 capacity addition of 1410 MW is achieved through following projects

1. Chandrapur TPS Unit 9 (1X500 MW) : 21.03.2016 (Full Load operation)
2. Parli TPS unit 8 (1X250MW) : 30.03.2016 (Full Load Operation)
3. Koradi TPS Unit 9 (1X6600MW) : 15.03.2016 (Full Load Operation)

Further, Commercial operation (COD) of following units achieved.

1. Koradi TPS Unit 8 (1X660MW) : 16.12.2015
2. Chandrapur TPS Unit 8(1X500MW) : 04.06.2016

(B) Capacity to be added for the project under execution:

Following unit is in its final stage of commissioning and capacity addition of 660MW is expected during the year 2016-17.

1. Koradi Unit 10 (1X660MW) : Unit synchronized on 01.07.2016. Full load operation is expected in August 2016.

(C) Capacity addition through Joint venture- Tata –MSPGCL Joint Venture (JV) Coal based Power Project of 1980/1600 MW capacity (3X660MW/2X800MW) at Dherand, in Maharashtra. Since, North coastal of Mumbai /Uran coastal side

project is in very initial stage and it may not be possible to add this power during 2019-20, to meet the power requirement of Mumbai, MSPGCL has accorded Board has accorded in-principle approval for Tata-MSPGCL Joint Venture (JV) coal based power project of 1980/1600 MW capacity (3X660MW/2X800MW) at Dherand in Maharashtra. The Board also accorded approval to sign Memorandum of understanding between M/s MSPGCL & M/s Tata power and submission of proposal to Government of Maharashtra for approval.

Solar Power Generation

MSPGCL has total 180.33 MW capacity of solar power generation. Out of this 5MW is at Chandrapur and 125MW at Sakri Dist Dhule. 50.33 MW (36.33 +14MW) units are situated at Shirshuphal in Baramati Dist. These 50.33 MW Projects are executed under PPP Model. MSPGCL has approved Implementation methodology of development of 2500MW grid connected solar PV projects by MSPGCL under Renewable Energy Policy 2015 of Government of Maharashtra. The details of modality of proposed 2500 MW is as under:

Sr. No.	Capacity to be implemented	Modality	Particulars
1	1000MW	Competitive bidding mode	On lands available / acquired with Mahagenco
2	500 MW	EPC mode	On lands available / acquired with Mahagenco
3	500 MW	Solar park	Instead of 660MWx5 coal based thermal at Dondaicha
4	250MW	Innovative mode	On LANDS AVAILABLE WITH Govt. entities, WRD , Nagpur Metro, Local Admin. bodies
5	250MW	Under Solarised agricultural feeder mode with PRAYAS NGO	Scheme to be finalized after detail guidelines by MNRE,PRAYAS,MEDA&IIT

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) Existing Coal requirement and Supply arrangements

The coal requirement of Mahagenco TPS for the FY 2015-16 is as follows:

Coal requirement for normative AVF for Mahagenco	
TPS	Coal Requirement (MMTPA)
BTPS, Bhusawal	8.51
CSTPS, Chandrapur	13.44
KPKD TPS, Khaperkheda	8.18
KTPS, Koradi	3.20
NTPS, Nasik	3.62
PARAS TPS Paras	3.05
PTPS, Parli	6.67
Total	46.67

Coal Supply Agreements

Mahagenco has signed FSA's with Coal Companies. The TPS wise linkage from each of the Coal Company is furnished below in tabular form in MMTPA

TPS	WCL	MCL	SECL	SCCL	FSA Qty
Bhusawal	2.800	2.312	2.312	0	7.424
Chandrapur	10.365	1.525	0.910	0	12.800
Khaperkheda	1.432	3.879	2.001	0	7.312
Koradi	0.615	1.580	3.105	0	5.300
Nasik	3.689	0.000	1.011	0	4.700
Paras	1.800	1.204	0.000	0	3.004
Parli	3.528	0.000	0.000	2.260	5.788
Total	24.229	10.500	9.339	2.260	46.328

Imported Coal (2015-16):

For year 2015-16, target allotted by MoP/CEA for import of coal for Mahagenco was 4.0 MMT. Mahagenco has 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 HSS contract is about 0.90 MMT (up to July-16).

B) 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:

Financial Year	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 (up to 15th July-16)	1.57	0.65	2.22

Thus, unless there is any improvement in gas supplies, the shortfall of gas is expected to be about 1.2 MMSCMD (FY2016-17) and due to this average loss of generation would be about 250 MW.

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 at WCL command area. Further activities for finalization of MOU with M/s WCL is in process.

D) Rationalization of Coal cost by swapping

- IMTF Swapping:** As per the guideline of IMTF, Stage-I swapping of 5.016 MMT MCL Coal has been swapped with SECL (3.312 MMT) and WCL equivalent quantity (1.528 MMT) expected benefit to the Mahagenco with Rs.182 Crs saving in transportation cost. Accordingly FSA with SECL and WCL has been signed for the swapped Coal quantity from MCL.
- Proposed Swapping:** Mahagenco has proposed to swap 5.041MMT MCL Coal linkage with WCL for its Chandrapur (1.525MMT), Bhusawal (2.312 MMT) and Paras (1.204 MMT) TPSs. Considering the parity in grades & higher cost of

WCL coal, the effective saving for the proposed swapping is expected @ 421.36 Crs. M/S WCL has principally consented to the above proposal and has agreed to increase coal supply in a phased manner.

E) Allocation of Coal Blocks-

1. **GarePalma Coal Block-** In order to fulfill the increasing requirement of coal to cater various thermal power expansion projects of Mahagenco Ministry of Coal Govt of India has allotted Gare-Palma Sector-II Coal Block in the district Raigarh in Chhattisgarh State to MAHAGENCO pursuant to order issued by Govt. of India under Rule 11(9) of the Coal Mines (Special Provisions) Rules 2014. Gare-Palma Sector-II Coal Block is located in Mand-Raigarh Coalfield and is at about 15 Kms. from Gharghoda Railway Station on East Corridor. The total Extractable Reserves of Gare-Palma Sector-II Coal Block is 653.47 MT (i.e. open cast 582.292 MT and underground 201,513 MT) Mahagenco has signed Allotment Agreement for Gare-Palma Sector-II Coal Mine.
2. **Mahajanwadi Coal Block-** Ministry of Coal, GoI has allotted Mahajanwadi Coal Block, Kamptee Coalfield, Nagpur, Maharashtra State for end use of power to the Maharashtra State Power Generation Company Ltd. The estimated Geological Reserve of the coal block is 340 MMT. Mahagenco has signed Coal Block Development and Production Agreement (CBDPA) on 19.4.2016. Mahajanwadi Coal Block is located in Dist Nagpur in approximately 26 sq Kms covering total 4 Nos. villages Hingna/Raipur, Wanadongri, Kharka and Mondha.

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 2015-16, 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. Work shops for employee representatives from the projects were held, at all levels to sensitize them to the changing business scenario, opportunities, threats, challenges faced by the company. The overall industrial relations scenario was peaceful governed by harmony and mutual trust.

DIRECTORS

Shri Mukesh Khullar former Principal Secretary (E), GoM ceased to be Director of the Company w.e.f. 07.05.2016.

AUDIT COMMITTEE

The audit committee of Mahagenco consisted Shri Vishwas Pathak, Chairman, Shri V.P.Singh Member and Smt. Irawati Dani as Member. Total 8 Meetings of the audit committee were held during the year FY 2015-16.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The company has constituted CSR Committee. The members of the committee are Shri Bipin Shrimali, Chairman, Shri C.S. Thotwe, Member, Shri V.P. Singh, Member, Shri J.K. Srinivasan, Member and Smt. Irawati Dani. The company has CSR Policy approved by CSR Committee and Board. The policy covers following Aims and Objectives:

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. That the applicable accounting standards had been followed along with proper explanation relating to material departures; if any
2. That the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31.3.15
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 31.3.2017 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 2015-16.

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 2015-16. 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:

- a) As per provisions of 75 & 77 of Articles of Association of the Company Directors on the Board are appointed by MSEBHCL. A reference will be made to MSEBHCL for appointment of Independent Director.
- b) As per Articles 78 (A) of AOA of MSPGCL Shri J.K.Srinivasan has been appointed as whole time Director (Finance) w.e.f 26.5.2014. He has been in-charge of Finance in the company. For the compliance of KMP provisions, he has been also been designated as CFO of the company w.e.f.10.12.2015.
- c) Necessary actions will be initiated for filing of form MGT14 for appointment of Internal auditors.

ACKNOWLEDGEMENT

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

On Behalf of the Board of Directors

(Bipin Shrimali)

Chairman & Managing Director

Date : 02 /12 /2016
Place: Mumbai

Annexure 'I' To The Director's Report Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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	99.99	2(87)
2	Mahaguj Collieries Ltd.	U10102MH2006SGC165327	Subsidiary	60	2(87)
3	Dhopave Coastal Power Co. Ltd.	U40108MH2007SGC168836	Subsidiary	100	2(87)
4	Dhule Thermal Power Co. Ltd.	U40105MH2007SGC173433	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	50000	50000	0.001	0	0	0	0	
d) Bodies Corp.	0	8057234564	8057234564	99.999	0	24098356788	24098356788	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	8057284564	8057284564	100	0	24098356788	24098356788	100	199.09
(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									
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	8057284564	8057284564	100	0	24098356788	24098356788	100	199.09
B. Public Shareholding									
I. 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) FIIs	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals	0	0	0	0	0	0	0	0	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	
ii) Individual shareholders holding nominal share capital in excess of Rs 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	NA
Grand Total (A+B+C)	0	8057284564	8057284564	100	0	24098356788	24098356788	100	199.09

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in share holding during the year
1	MSEB Holding Co. Ltd. (State Govt. Co.)	8057234564	99.999	0	24098356788	100	0	199.09
2	State Govt.	50000	0.001	0	0	0	0	NIL
	Total	8057284564	100	0	24098356788	100	0	199.09

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	MSEBHCL & State Govt.	8057284564	100		
Allotment of shares (30.04.2015)	MSEBHCL	183995489	2.28	8241280053	2.28
Allotment of shares (21.07.2015)	MSEBHCL	746316300	9.26	8987596353	11.54
Allotment of shares (31.03.2016)	MSEBHCL	15110760435	187.54	24098356788	199.09
At the End of the year	MSEBHCL	24098356788	100	24098356788	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
At the beginning of the year	MSEB Holding Co Ltd	8057234564	99.999		
	State Govt.	50000	0.001		
Allotment of shares (30.04.2015)	MSEBHCL	183995489	2.28	8241280053	2.28
Allotment of shares (21.07.2015)	MSEBHCL	746316300	9.26	8987596353	11.54
Allotment of shares (31.03.2016)	MSEBHCL	15110760435	187.54	24098356788	199.09
At the End of the year (or on the date of separation, if separated during the year)	MSEB Holding Co Ltd	24098356788	100	24098356788	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 Mukesh Khullar	49940	0.00198	49940	0.00198
	Shri J.K.Srinivasan (As Nominees of GoM)	10	0.00000039	10	0.00000039
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		NIL	NIL	NIL	NIL
At the End of the year	Shri 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

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment****(Amt. in ₹ Crores)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	29545.04	2047.07	0.00	31592.11
ii) Interest due but not paid	168.95	0.00	0.00	168.95
iii) Interest accrued but not due	353.84	4.42	0.00	358.26
Total (i+ii+iii)	30067.83	2051.49	0.00	32119.32
Change in Indebtedness during the financial year				
• Addition	784.46	4019.76	0.00	4804.22
• Reduction	984.05	222.24	0.00	1206.29
Net Change	(199.59)	3797.52	0.00	3597.93
Indebtedness at the end 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

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

(Amt. in ₹ Crores)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Bipin Shrimali (CMD)	J. K. Srinivasan (Director Finance)	C. S. Thotwe (Director Projects)	Vijay Singh (Director Operation)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2407727	2629627	3011763	3786463	1,18,35,580
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	381180	438434	565820	1385434
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission- as % of profit - others, specify...	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	2407727	3010807	3450197	4352283	13221014
	Ceiling as per the Act	NA	NA	NA	NA	NA

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total Amount
3. Independent Directors	Shri Vishwas Pathak	Smt. Irawati Dani	NA	NA
Fee for attending board /committee meetings	75000	105000		180000
• Commission	NIL	NIL		NIL
• Others, please specify	NIL	NIL		NIL
Total (1)	75000	105000		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)	75000	105000	NIL	180000
Total Managerial Remuneration	75000	105000	NIL	180000
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	1645968	1645968
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	199735	199735
	(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)	1845703	1845703

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: 17/10/2016
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 2016:

Mr. Bipin Shrimali, CMD

Mr. C. S. Thotwe, Director (Proj.)

Mr. Vijay Singh, Director (Op)

Mr. J. K. Srinivasan, Director (F)

Mrs. Irawati Dani, Independent Director

3. Average net profit of the company for last three financial years: ₹ 344.94 Crores.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 6.89 Crores.
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year: ₹ 6.20 Crores;
 - (b) Amount unspent, if any: ₹ 0.69 Crores;
 - (c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken.	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (₹ in Lakhs)	Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency
1	Construction of Toilet Box	Health Care	Koradi 240	107.41	Direct Expenditure: 107.41	107.41	Direct
2	Scholarship to students	Education	Bhusawal 105	1.09	Direct Expenditure: 1.09	1.09	Direct

3	Painting of school building	Infrastructural Development	Koradi 240	24.29	Direct Expenditure: 24.29	24.29	Direct
4	Repair of school	Infrastructural Development	Koradi 240	6.72	Direct Expenditure: 6.72	6.72	Direct
5	Drinking water supply	Drinking Water Supply	Koradi 240	48.28	Direct Expenditure: 48.28	48.28	Direct
6	Tree plantation	Environment	Koradi 240	1.59	Direct Expenditure: 1.59	1.59	Direct
7	Construction of road	Infrastructural Development	Chandrapur 110	10.23	Direct Expenditure: 10.23	10.23	Direct
		Infrastructural Development	Khaperkheda 136	1.53	Direct Expenditure: 1.53	1.53	Direct
		Infrastructural Development	Koradi 240	77.85	Direct Expenditure: 77.85	77.85	Direct
		Infrastructural Development	Chandrapur 250	84.62	Direct Expenditure: 84.62	84.62	Direct
8	Construction of compound wall	Infrastructural Development	Koradi 240	11.12	Direct Expenditure: 11.12	11.12	Direct
9	Construction of RCC drain on sides of road	Infrastructural Development	Chandrapur 250	6.05	Direct Expenditure: 6.05	6.05	Direct
10	Construction of Samaj Bhavan	Infrastructural Development	Koradi 240	55.45	Direct Expenditure: 55.45	55.45	Direct
11	Prov. 150mm dia borewell & installation of 2HP submersible pump on bore	Drinking Water Supply	Koradi 240	4.42	Direct Expenditure: 4.42	4.42	Direct
12	Construction of Bus Stop Shed at Ambhora, Bhatali, Payali 3nos. (Project Affected villages).	Infrastructural Development	Chandrapur 110	2.98	Direct Expenditure: 2.98	2.98	Direct
13	Construction of Social hall at Village Ambhora, Bhatali, Payali 3 nos. (Project Affected villages).	Infrastructural Development	Chandrapur 110	7.79	Direct Expenditure: 7.79	7.79	Direct
14	Construction of Tube well / Bore well with hand pump and platform for 3 Nos (Land affected villages).	Drinking Water Supply	Chandrapur 110	5.03	Direct Expenditure: 5.03	5.03	Direct
15	Construction of shopping complex	Infrastructural Development	Koradi 240	8.87	Direct Expenditure: 8.87	8.87	Direct

16	Providing and fixing informatory sign board for various work under CSR	Infrastructural Development	Koradi 240	1.32	Direct Expenditure: 1.32	1.32	Direct
17	Plinth Protection and hume pipe septic tank for Samaj bhavan at Nanda	Infrastructural Development	Koradi 240	12.62	Direct Expenditure: 12.62	12.62	Direct
18	Deepening of existing supply well 6.50 mtr dia water supply scheme	Drinking Water Supply	Koradi 240	6.57	Direct Expenditure: 6.57	6.57	Direct
19	Jalyukt Yojna Shivar	Drinking Water Supply	Koradi 233	80.62	Direct Expenditure: 80.62	80.62	Direct
20	Beautification of ponds	Infrastructural Development	Uran 170	20.29	Direct Expenditure: 20.29	20.29	Direct
21	Construction of Smashanbhumi	Infrastructural Development	Uran 170	31.38	Direct Expenditure: 31.38	31.38	Direct
		Infrastructural Development	Koradi 240	2.02	Direct Expenditure: 2.02	2.02	Direct
	TOTAL			620.14	620.14	620.14	

*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

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 2015-16

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

AUXILLIARY POWER CONSUMPTION:

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

LIGHTING

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

HEAT ENERGY

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

LUBRICANTS:

- Zero leakage concept is introduced at all power stations.

- Oil skimmers designed and developed to recover fuel oil from drains.
- Turbine and BFP oil filtration by centrifuging at Bhusawal & Nasik TPS.

DM WATER

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

MISCELLANEOUS WATER

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

B. TECHNOLOGY ABSORTION ADAPTATION AND INNOVATION

- a Efforts made in technology absorption

Form of disclosure of particulars with respect to absorption

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

Research And Development (R & D)

1. Specific areas in which R & D carried out by the Company

Ozonisation of Cooling Water, AFGC System, Islanding and Black start facility at Uran, Nirafon Acoustic cleaning system at Air Heaters, Tube leakage detection system for tube leakages, Adoption of MPSP system to coal mills, Oil filtration & Oil skimper 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	226,43,55,021
	Stores spares and components	2,09,97,508
2.	Foreign Exchange earned	Nil

Annexure 'IV'

Statutory Auditors Report For FY 2015-16 and Management Replies Thereon

Sr. No.	STATUTORY AUDITORS REPORT	MANAGEMENT REPLIES
1.	<p>Report on the Financial Statements</p> <p>We have audited the accompanying standalone financial statements of MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (MSPGCL / the Company) which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.</p>	
2.	<p>Management's responsibility for the Financial Statements</p> <p>The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 2013 ("the Act ") read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	<p>In pursuance to provisions of Companies Act, 2013, and Accounting Standards issued there under as applicable to the Company, the Financial Statements such as Balance Sheet and Statement of Cash Flow as on 31-03-2016 and Statement of Profit and Loss for FY 2015-16 has been prepared by the Company.</p>
3	<p>Auditor's Responsibility</p>	
3.1	<p>Our responsibility is to express an opinion on these financial statements based on our audit.</p>	<p>Information and supporting documents as demanded by auditors have been provided by the Company.</p>
3.2	<p>We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.</p>	
3.3	<p>We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about</p>	

	whether the financial statements are free from material misstatement.	
3.4	An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.	
3.5	In making these risk assessments, the auditor considers internal control relevant to the Company's preparation and that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.	
3.6	We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statement.	
4	<p>Basis for Qualified Opinion</p> <p>We invite attention to:-</p> <p>(i) <i>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 ₹ 1039.26 crore under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to ₹ 2638.27 crore as on March 31, 2016. Further, as per Multi Year Tariff (MYT) Regulation 2011 and subsequent amendment, reactive power bills raised by the Company to Maharashtra State Electricity Transmission Company Limited (MSETCL) for Rs 62.37 Crore have not been accepted by MSETCL. Considering the non acceptance of billing by MSEDCL and MSETCL, we are unable to comment on the realisability of such income and the impact on the Loss for the year, Trade Receivables, Revenue and the Reserves and surplus of the Company.</i></p>	MSPGCL has raised surcharge bills to MSEDCL as per the agreed terms of Power Purchase Agreement and are binding on MSEDCL. These are genuine and valid receivables. On the contrary, non-accounting of these bills has resulted into underbooking of expenses and liability by MSEDCL, to this extent. Company has carried out reconciliation with MSEDCL and the same has been shared with the Auditors in the reporting year. Similarly MSETCL has also not accounted for the valid bills raised by MSPGCL, in their Books of Accounts.
	<p>(ii) <i>As stated in note no.31 of Notes on Accounts the balances of loans and advances, deposit, loan from world bank 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</i></p>	Company has adopted SAP integrated system wherein the vendor-wise, customer-wise, employee-wise balances payable and receivable etc. are available. As a part of operation of the system, the subsidiary records automatically get generated in Accounting System. However, since company was channelizing its efforts in implementing Financial Restructuring Plan as notified by Government of Maharashtra, it could not devote much time on reconciliation of records due to time limitations. From ensuing year, all out efforts would be carried out to reconcile subsidiary records with the

	and the loss for the year of the Company.	control ledger. As regards, balance confirmation, company has already issued balance confirmation letters at certain locations. During current year, company would ensure that balance confirmation letters are issued at all Accounting Units. Wherever the balances are un-linkable being too old, suitable action of write off / write back would be taken with proper justification so as to arrive at the clean balances tallying with control ledger in respect of above.
	<i>(iii) As stated in note no. 32 of Notes on Accounts the loans and advances include ₹ 760.88 crore towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to ₹ 373.52 crore. Pending final passing of the bills, the Company has not set off the said liability against the advance paid. This has resulted in overstatement of the respective assets and liabilities of the Company. That impact of the above on the loss of the Company is not ascertained.</i>	The payment of advances to coal company and their clearance is a continuous ongoing exercise. These advances and liabilities were pending to the tune of ₹ 5500 Crs. which were brought down to the level of ₹ 2700 crs. and subsequently to the level of ₹ 1200 crs. upto previous year. The said exercise of clearance of coal advances and liabilities would be further improved in FY 2016-17 thereby bringing down the advances and liabilities to the optimum level.
5.	Qualified Opinion <i>In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and subject to our observations in point (i) to (iii) of para 4 above the effect of which on the loss for the year and net assets as at March 31, 2016 is unascertainable, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date..</i>	Company has maintained books of Accounts in conformity with the generally accepted accounting principles, standards and Rules & Regulations applicable thereto.
6.	Emphasis of Matters: We draw attention to following notes:	
(a)	Note no. 35(a)(ii) regarding accounting of shortfall/excess if any, based on the provisional accounts of the CPF, in the absence of the requisite details and information.	Actuarial valuation of CPF investments could not be done since CPF trust could not provide the requisite details for valuation purpose, in a timely manner. However, the matter would be taken up with CPF Trust in the ensuing year.
(b)	Note no. 35(d) regarding agreements with the government of Maharashtra in respect of Various hydro power generation facilities that are yet to be executed and the consequent disclosures as required under Accounting Standard 19 “Leases” issued under the Companies (Accounting Standards) Rules, 2006 pending execution of the lease.	MSPGCL has accounted for lease rent on the basis of MERC order fixing lease rent for Hydro Power Stations owned by Government of Maharashtra.
(c)	Note no. 35(i) regarding the justification of the company not to recognize any impairment loss on the investment in its subsidiary company, Mahaguj Collieries Ltd.	
(d)	Note no. 35(k) regarding the accounting of the increase in value of the net Fixed Asset date of Transfer, depreciation on such increased value and consequent increase in equity capital based	

	<p>on the notification dated March 31, 2016 issued by the Government of Maharashtra through First Amendment in “Maharashtra Electricity Reforms Transfer Scheme 2005.”</p> <p>Our opinion is not qualified in respect of above matters.</p>	
7.	<p>Report on Other Legal and Regulatory Requirements</p> <p>As required under Section 143(5) of the Companies Act, 2013, we give in the Annexure I, a Statement on the Directions issued by the Comptroller and Auditor General of India after complying the Suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the company.</p>	
8.	<p>As required by the Companies (Auditor's Report) Order, 2016 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act., we give in the Annexure II, a statement on the matters specified in paragraphs 3 and 4 of the Order.</p>	
9.	<p>As required by Section 143 (3) of the Act, we report that:</p> <p>a. <i>We have sought and except for the possible effect of the matter described in sub-para 4 above relating to the Basis for Qualified Opinion</i>, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;</p> <p>b. In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;</p> <p>c. <i>The Balance Sheet, Statement of profit and loss, cash Flow Statement dealt with by this Report are in agreement with books of account;</i></p> <p>d. <i>Subject to our observations in para 4 above</i>, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p> <p>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.</p> <p>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</p> <p>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:</p>	<p>In pursuance to provisions of Companies Act, 2013, and Accounting Standards issued there under as applicable to the Company, the Financial Statements such as Balance Sheet and Statement of Cash Flow as on 31-03-2016 and Statement of Profit and Loss for FY 2015-16 has been prepared by the Company.</p>

	<ul style="list-style-type: none"> i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements. ii. The Company does not have any long-term contracts which require it to make provision for material foreseeable losses. Also, the Company has not entered into any derivative contracts. iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. 	
<p>1)</p>	<p>ANNEXURE I TO THE INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 7 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2016.</p> <p>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.</p>	<p>The company has not been selected for 'Disinvestment' purpose. Hence, the information sought is Not Applicable to the company.</p>
<p>2)</p>	<p>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.</p>	<p>During the course of audit and as per information and explanations given to us, there were no cases/instances of waiver/write-off any loans/debts/interest etc., by the company during F.Y. 2015-16. The Company has received a letter from MSEB Holding Company Ltd (its company) to recognize in its books certain unidentified asset/liabilities lying in the books of MSEB Holding Company that belonged to the erstwhile Maharashtra State Electricity Board. The parent company has transferred these unidentified assets / liabilities to the company fellow subsidiaries on a certain proportionate basis without specifying the rationale thereof. The company has informed the company to write off / write back these unidentified assets / liabilities. Such balances include transfer of capital reserve amounting to ₹ 265 Crore. (Company's share ₹ 66 crore) The company has not yet recognized these unidentified assets / liabilities (net liabilities of ₹ 86 crore) and as informed to us by the Management, has sought additional details of the same from the parent company.</p>
<p>3)</p>	<p>Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government and other authorities?</p>	<p>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</p>

		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.	<p>Company discloses pending legal/arbitration cases as Contingent Liabilities as identified by the company. The age wise analysis of 380 pending legal /arbitration cases given below:</p> <table border="1"> <thead> <tr> <th>Age of cases</th> <th>No. of cases</th> </tr> </thead> <tbody> <tr> <td>Less than one year</td> <td>38</td> </tr> <tr> <td>1 to 2 years</td> <td>58</td> </tr> <tr> <td>2 to 3 years</td> <td>19</td> </tr> <tr> <td>3 to 5 years</td> <td>40</td> </tr> <tr> <td>More than 5 years</td> <td>195</td> </tr> <tr> <td>Others unattended</td> <td>30</td> </tr> <tr> <td>Total</td> <td>380</td> </tr> </tbody> </table> <p>Due to unavailability of relevant information from the Company, including details of reasons of pendency for all cases, we are not able to comment upon the effectiveness of monitoring mechanism for on all legal cases and reasons of pendency.</p>	Age of cases	No. of cases	Less than one year	38	1 to 2 years	58	2 to 3 years	19	3 to 5 years	40	More than 5 years	195	Others unattended	30	Total	380
Age of cases	No. of cases																	
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More than 5 years	195																	
Others unattended	30																	
Total	380																	
5)	<p>Comments on Sub-directions u/s 143(5) of Companies Act 2013</p> <p>In the cases of Thermal Power Projects , compliance of various Pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.</p>	The Company has represented that it has complied with the requirements of various pollution control acts including utilization and disposal of ash during the year 2015-16. The above information regarding compliance of various Pollution Control Acts and the impact thereof including utilization and disposal of ash has not been independently verified by us.																
6)	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?	No, company has not entered into revenue sharing agreements with private parties for extraction of coal.																
7)	Does the company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc, are properly recorded in the books of accounts?.	<p>Yes, company has the system for reconciliation of quantity/quality of coal ordered and received. However the current process needs to be strengthened. Company recognizes the liability of coal on the basis of grades mentioned in suppliers' invoice instead of the grade determined by its internal chemist in the respective unit. Claim for coal grade slippage has been made on the basis of coal grade differences observed at loading end by Companies representative and suppliers representatives jointly vis-à-vis Grade allocated to Colliery. However such claim have not been recognized by the coal suppliers which result into difference in the outstanding balance with such companies along with other reasons.</p> <p>Further, during the year, MSPGCL has lodged a claim against coal suppliers, for grade slippage of coal as per agreement amounting to ₹ 803.38 Crore. However, the supplier has claimed an amount of ₹ 50 Crore from the</p>																

		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 supplier.
8)	How much share of free power was due to the State Govt. and whether the same was calculated as per the agreed terms and depicted in accounts as per accepted accounting norms	As informed by the Company, there is no share of free power to the State Govt., under any agreement.
9)	In the case of Hydroelectric Projects the water discharge is as per policy /guidelines issued by state govt. to maintain biodiversity. For not maintaining it penalty paid/ payable may be reported.	Water discharge is governed by Water Resource Department (WRD) of State Govt., and as informed, the company has no role in the same. No penalty has been payable/paid towards water discharge.
(i)	<p>In respect of its fixed assets:</p> <p>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.</p> <p>b) As informed to us, the Company has a policy of conducting physical verification of fixed assets once in three years. During the year, no physical verification of fixed assets was conducted by the management being the rest year.</p> <p>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:-</p> <p>(i) free hold land relating to 4 accounting units having gross block of Rs. 45.62 crore and lease hold land of 1 accounting unit having Gross block Rs.131.02 crore & net block of Rs.101.73 crore, which are still held in the name of erstwhile “Maharashtra State Electricity Board” and</p> <p>d) free hold land relating to 2 accounting units having gross block Rs.395.88 Crore, held in the name of “Mahanirmiti”</p>	<p>While the accounting effect has already been completed, the task of updation of Fixed Assets Register on the basis of accounting entries is in progress at certain locations. The complete asset data base has been uploaded in SAP system and the register is available for verification in the system.</p> <p>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.</p>
(ii)	<p>In respect of its inventories:</p> <p>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.</p> <p>b) In our opinion and on the basis of the examination of records of inventory, the company has maintained proper records of</p>	Company has carried out physical verification of stores inventory as annual exercise and the discrepancies observed in this process have been properly accounted for.

	inventory. The discrepancies noticed on such physical verification of inventories as compared to book records were adjusted appropriately in the books of account.	
(iii)	As per the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 during the year. Consequently, the provisions of Clause (iii)(a) and Clause (iii)(b) of paragraph 3 of the Order are not applicable to the Company.	Since company has not taken nor granted loan to firms listed under section 189, the said related party disclosure is not applicable to the company
(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.	Necessary provisions has been complied with.
(v)	According to the information and explanation given to us, the company has not accepted deposit from the public within the meaning of the provision of section 73 to 76 of Companies Act, 2013 and rules there under.	Company has not accepted deposits from the general public during the year.
(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.	Company maintains the Cost Records as required under Section 148(1) of the Companies Act, 2013 and the audit of such records is conducted by Cost Auditors appointed by the Company.
(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 with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Wealth Tax, Service Tax, duty of Custom, duty of excise, Value Added Tax, Cess, were outstanding, as at March 31, 2015 for a period of more than six months from the date of becoming payable. (b) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following:-	Company is punctual in payment of legitimate statutory dues and taxes except the tax dues under dispute.

	<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>
	Income Tax Act	Penalty (Rs.113.51 crore)	50.38	AY 2006-07	ITAT, Mumbai (Appeal by Department)
	Income Tax Act	Penalty (Rs.107.32 crore)	107.32	AY 2007-08	ITAT, Mumbai (Appeal by Department)
	Income Tax Act	TDS on Service Tax	0.09	AY 2009-10	ITAT, Pune Bench
	Central Excise	Duty levied on the Fabrication of Structural Steel Items	3.01	1991-1992 to 1994-95	CESTAT, Mumbai
	Central Sales Tax Act	MVAT	0.35	2005-06	Commissioner of Sales Tax (Appeals), Nagpur
(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				Company is generally prompt in servicing its debts.
(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.				Company has not raised any money by way of initial public offer.
(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.				Company has separate wing for Vigilance and Security and no fraud has been noticed by the company during the year
(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.				Not applicable to company.
(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.				Company is not a Nidhi company
(xiii)	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Sections 177 and 188 of the Companies Act, 2013. Details of transactions with the related parties have been disclosed in the financial statements as required by applicable Accounting Standard.				Company has disclosed transactions with related parties

(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.	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.	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.	Not Applicable

Annexure V To The Director's Report

SECRETARIAL AUDIT REPORT

[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]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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, 2016 ('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, 2016 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;
- The Company had not appointed Chief Financial Officer during the period from 1st April, 2015 till 9th December, 2015;
- The Company is yet to file Form MGT-14 for appointment of Internal Auditor for financial year 2015-16.

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 Rs. 10/- each, at par as per details mentioned below:

Date of Allotment	No. of Shares	Consideration	Govt. GR Number
30/04/2015	183995489	Cash	Equity 2014/prk9/energy 3./ dated 10.6.2014
21/07/2015	746316300	Cash	Sankirn 2015/prk 63/ energy -3 dated 18.5.2015
31/03/2016	15110760435	Other than Cash	GR no 2010/prk 117/energy-3 dated 31.03.2016

I further report that during the audit period the Company has passed Special Resolution under Section 180(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on 1st June, 2015 for enhancing the borrowing limits upto Rs. 50,000 Crores.

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: 28/10/2016

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: 28/10/2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2016.

The preparation of Financial Statements of **Maharashtra State Power Generation Company Limited, Mumbai** for the year ended **31 March 2016** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on 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 3 September 2016.**

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 Financial Statements of **Maharashtra State Power Generation Company Limited, Mumbai** for the year ended **31 March 2016**. 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.

1. Other Income Note No 16.

Income from Rent, hire charges etc. Rs. 6.43Crore.

The above includes Rs. 11.67 lakh received towards rent of school building at TPS Koradi which pertained to Financial Year 2016-17 as the Bharatiya Vidya Bhavan had paid rent of Rs. 20 lakh for the period from November 2015 to October 2016. **(TPS Koradi)**. This has resulted in overstatement of Other Income by Rs. 11.67 lakh and understatement of current liabilities towards rent received in advance.

Expenses:

Cost of Material Consumed Note No.17

2. Oil-Rs.117.94Crore.

This does not include the demands amounting to Rs. 1282.00 lakh received by the Company from M/s.HPCL, M/s.BPCL & M/s.IOCL towards overdue interest on delayed payments for procurement of Light Diesel Oil, Furnace oil and High Speed Diesel at various TPS for the year 2015-16 as under.

Sl.No.	Name of the Oil Company	Amount claimed by Oil Company
1	M/s. HPCL	Rs. 720.00 lakh
2	M/s. BPCL	Rs. 385.00 lakh
3	M/s. IOCL	Rs. 177.00 lakh
	Total	Rs.1282.00 lakh

The non-accounting for the claims has resulted in understatement of cost of material consumed as on 31 March 2016 and understatement of Loss for the year 2015-16 by Rs.1282.00 lakh. (HO)

3. Employee benefit expense Note No 18.

Salaries, allowances, Bonus etc. Rs. 944.30Crore.

This includes Rs. 37.15 lakh being excess provision made in respect of leave encashment of retired /expired employees which was already paid during 2015-16 at STPS Chandrapur. This has resulted in overstatement of loss for the year and provision for liabilities by Rs. 37.15lakh .

4. Legal and Professional Charges Rs. 8 Crores.

This does not include Rs. 7.84 lakh being the amount payable to the advocates in Fly ash matters at TPS Nashik. Against the liability towards outstanding Advocates' fee of Rs. 77.12 lakh , the Company recognized liability of only Rs. 69.28 lakh resulting in understatement of Legal and professional charges and Trade Payables – Payables to other than MSME by Rs. 7.84 lakh.

II. COMMENTS ON FINANCIAL POSITION

5 Current Assets **a) Inventories Note No.11** **Raw material** **Coal Rs. 1023.46 crore.**

As per the records of the Coal section at TPS Koradi, the closing stock of the coal was 462531.317 MT valued at Rs. 143.09 crore whereas the stock of coal was accounted at Rs. 143.34 crore in the financial records. This has resulted in overstatement of the closing stock of coal and understatement of loss for the year by Rs. 25.23lakh.

III. COMMENTS ON DISCLOSURE.

6. Notes to Financial Statements (Consolidated).

1) Significant Accounting policies and Notes on accounts forming part of financial statements for the year ended 31 March 2016.

(i) Revenue recognition.

The MSEB Holding Company, the holding company of MSPGCL and MSEDCL, directed MSPGCL to waive off the delayed payment charges levied on MSEDCL on the amount of principal frozen as on 31-07-2015 vide its Board Resolution No. 450 dated 27-08-2015. The Company should have disclosed that the Receivables in its Financial Statement included late payment surcharge which stood at 2638.27 crore (Rs 1039.26 Crore for FY 2015-16) as on March 2016 which may not be entirely received by them

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

Place : Mumbai
Date : 2nd December 2016

PRINCIPAL ACCOUNTANT GENERAL
(AUDIT)-III

Final CAG Comment's on the Accounts of MSPGCL for F.Y. 2015-16 and Replies of the Company thereon.

Sr. No.	FINAL AUDIT COMMENT	MANAGEMENT REPLIES	REMARKS OF STATUTORY AUDITORS															
I.	<p>COMMENTS ON PROFITABILITY.</p> <p>1. Other Income Note No 16.</p> <p>Income from Rent, hire charges etc. ₹6.43Crore.</p> <p>The above includes ₹ 11.67 lakh received towards rent of school building at TPS Koradi which pertained to Financial Year 2016-17 as the Bharatiya Vidya Bhavan had paid rent of ₹ 20 lakh for the period from November 2015 to October 2016. (TPS Koradi). This has resulted in overstatement of Other Income by ₹ 11.67 lakh and understatement of current liabilities towards rent received in advance. (TPS Koradi)</p>	<p>Company accounts for all the income pertaining to relevant accounting year. During the year company has booked other income of ₹ 103.64 Crores. However, the rent income of ₹ 20 Lakhs applicable for period November 2015 to October 2016, was booked in entirety as income of FY 2015-16 instead of booking for partial period upto 31-03-2016. Consequently, ₹ 11.67 Lakhs though pertaining to FY 2016-17, were inadvertently booked in FY 2015-16. The rectification of the same would be carried out in FY 2016-17. However, this amount of ₹11.67 lakhs is not materially affecting the volume of total income of the company amounting to ₹19397.06 Crores.,.</p>	<p>As company has agreed to rectify the needful entry to be passed relating to advance received of rent of ₹ 11.67 lacs out of rent received of ₹ 20 lacs, therefore looking to materiality of the amount of ₹11.67 lacs and total income of the company of ₹ 19397.06 crores.</p>															
	<p>Expenses:</p> <p>Cost of Material Consumed Note No.17</p>																	
2.	<p>Oil-Rs.117.94Crore.</p> <p>This does not include the demands amounting to Rs. 1282.00 lakh received by the Company from M/s.HPCL, M/s.BPCL & M/s.IOCL towards overdue interest on delayed payments for procurement of Light Diesel Oil, Furnace oil and High Speed Diesel at various TPS for the year 2015-16 as under.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sr. No.</th> <th style="text-align: center;">Name of the Oil Company</th> <th style="text-align: center;">Amount claimed by Oil Company</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>M/s. HPCL</td> <td style="text-align: right;">₹ 720.00 lakh</td> </tr> <tr> <td style="text-align: center;">2</td> <td>M/s. BPCL</td> <td style="text-align: right;">₹ 385.00 lakh</td> </tr> <tr> <td style="text-align: center;">3</td> <td>M/s. IOCL</td> <td style="text-align: right;">₹ 177.00 lakh</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> <td style="text-align: right;">₹ 1282.00 lakh</td> </tr> </tbody> </table> <p>The non-accounting for the claims has resulted in understatement of cost of material consumed as on 31 March 2016 and understatement of Loss for the year</p>	Sr. No.	Name of the Oil Company	Amount claimed by Oil Company	1	M/s. HPCL	₹ 720.00 lakh	2	M/s. BPCL	₹ 385.00 lakh	3	M/s. IOCL	₹ 177.00 lakh	Total		₹ 1282.00 lakh	<p>The company was pursuing this matter with oil companies to wave off the said amount and the same was finally negotiated and approved by competent authority in FY 2016-17. Out of total demand amounting to ₹ 1282.00 lakh , an amount of ₹ 925 lakh were payable. Since the confirmation of the amount, as well as the payment thereof took place during the year FY 2016-17, the same has been accounted for in FY 2016-17.</p>	<p>As the Company did not have a clarity on amount of overdue interest on delayed payments for procurement of Light Diesel Oil, Furnace oil and High Speed Diesel at various TPS, as payable to M/s.HPCL, M/s.BPCL & M/s.IOCL. Out of total demand of ₹12.82 crore, the negotiation was concluded & approved in Fin. Year to the tune of ₹ 9.25 Crore. Since the confirmation of the amount, as well as the payment thereof took place during the year FY 2016-17, the company has accounted for the same in in FY 2016-17.</p>
Sr. No.	Name of the Oil Company	Amount claimed by Oil Company																
1	M/s. HPCL	₹ 720.00 lakh																
2	M/s. BPCL	₹ 385.00 lakh																
3	M/s. IOCL	₹ 177.00 lakh																
Total		₹ 1282.00 lakh																

	2015-16 by Rs.1282.00 lakh. (HO)		
3.	<p>Employee benefit expense Note No 18. Salaries, allowances, Bonus etc. ₹944.30 Crore.</p> <p>This includes ₹ 37.15 lakh being excess provision made in respect of leave encashment of retired /expired employees which was already paid during 2015-16 at STPS Chandrapur. This has resulted in overstatement of loss for the year and provision for liabilities by ₹ 37.15lakh.(TPS Chandrapur)</p>	<p>The company has practice of providing for leave encashment of retired employees at Field/Accounting Unit level. During the year, company has made a provision of ₹ 10.88 Crores. However, inadvertently an amount of ₹ 37.15 lakhs was considered wrongly while accounting. However, this amount of ₹ 37.15 lakhs is not materially affecting the total employee cost of ₹ 1268.34 crores.</p>	<p>We agree to the reply given by the management of the Company and hence no further comments to offer.</p>
4.	<p>Legal and Professional Charges ₹ 8 Crores.</p> <p>This does not include ₹ 7.84 lakh being the amount payable to the advocates in Fly ash matters at TPS Nashik. Against the liability towards outstanding Advocates' fee of ₹ 77.12 lakh, the Company recognized liability of only ₹ 69.28 lakh resulting in understatement of Legal and professional charges and Trade Payables - Payables to other than MSME by ₹ 7.84 lakh. (TPS Nashik)</p>	<p>At the end of every accounting year, Company makes provision for liabilities towards the unpaid expenses pertaining to respective year. Similarly, during the year company has booked ₹ 3,80,48,794 as provision for expenses which inter alia includes provision for advocates bills amounting to ₹ 69,28,597. The said provision was made on the basis of the details of outstanding advocate bills available at the time of finalization of accounts as collected from various departments of the company. However, subsequently, it was revealed that certain outstanding bills amounting to ₹ 7,84,130 were remained to be included in the said provision. However, this amount of ₹ 7.84 lakhs is not materially affecting the total expenditure of the company ₹ 17618.86 Crores.</p>	<p>Since the audit is carried out on the basis of verification of documents for transactions selected on sample basis, the same has not been at time of audit.</p>
II.	<p>COMMENTS ON FINANCIAL POSITION</p> <p>5 Current Assets</p> <p>a) Inventories Note No.11</p> <p>Raw material</p> <p>Coal ₹ 1023.46 crore.</p> <p>As per the records of the Coal section at TPS Koradi, the closing stock of the coal was 462531.317 MT valued at ₹ 143.09 crore whereas the stock of coal was accounted at ₹ 143.34 crore in the financial records. This has resulted in overstatement of the closing stock of</p>	<p>Closing stock of coal was accounted for at ₹ 143.34 crores in financial records however the same has been appearing at ₹ 143.08 crores as per material records. The difference of ₹ 25.23 lakhs is value difference which has occurred due to accounting entries passed in previous years. Such type of differences occur when Material period in the system is closed however accounting entries are passed in order to comply with Accounting Standards or to rectify errors if any. However, this amount of</p>	<p>The company has accounted closing stock of coal at ₹ 143.34 crores in financial records however the same has been appearing at ₹ 143.08 crores as per material records. The difference of ₹ 25.23 lakhs is value difference which has occurred due to accounting documents passed in previous years. Such type of differences occur when Material period in the system is over however accounting entries are passed in order to comply with Accounting Standards or to rectify errors if any.</p>

	coal and understatement of loss for the year by ₹ 25.23lakh. (TPS Koradi)	₹ 25.23 lakhs is not materially affecting the total fuel cost of ₹ 11375.16 crores.	
III	<p>COMMENTS ON DISCLOSURE.</p> <p>6. Notes to Financial Statements (Consolidated).</p> <p>1) Significant Accounting policies and Notes on accounts forming part of financial statements for the year ended 31 March 2016.</p> <p>(i) Revenue recognition.</p> <p>The MSEB Holding Company, the holding company of MSPGCL and MSEDCL, directed MSPGCL to waive off the delayed payment charges levied on MSEDCL on the amount of principal freed as on 31-07-2015 vide its Board Resolution No. 450 dated 27-08-2015. The Company should have disclosed that the Receivables in its Financial Statement included late payment surcharge which stood at 2638.27 crore (₹ 1039.26 Crore for FY 2015-16) as on March 2016 which may not be entirely received by them</p>	<p>The Board resolution as stated in the audit observation mentions that the waiver of the late payment surcharge would be decided after the decision of the Appellate Tribunal for Electricity (APTEL) on MSPGCL's appeal against MERC's order dated 26-06-2015. Hence it emerges that no specific decision about waiver of late payment surcharge has been taken by the Company and the decision either to waive the surcharge or otherwise is dependent upon outcome of appeal filed by the company in APTEL which itself is unknown at this stage. Consequently, since there is no specific decision available to be disclosed, the company would be able to disclose such specific decision in that financial year in which the said decision is taken by the company.</p>	<p>The said Revenue recognition policy is stating “.....Further, the revenue includes delayed payment surcharge levied to MSEDCL as per the terms of Power Purchase Agreement executed with MSEDCL.” There is no change in accounting policy in this regard. The final outcome on the issue of waiver of the late payment surcharge would be decided after the decision of the APTEL on MSPGCL's appeal against MERC's order dated 26-06-2015. As no specific decision about waiver of late payment surcharge has been taken by the Company and the decision either to waive the surcharge or otherwise is dependent upon outcome of appeal filed by the company in APTEL which itself is unknown at this stage. Consequently, policy regarding “Revenue Recognition” relating to delayed payments surcharge is unaffected. Also since there is no specific decision available to be disclosed, the company could not disclose such specific decision in FY 2015-16.</p>

INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (MSPGCL / the Company)** which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making these risk assessments, the auditors consider internal control relevant to the Company's preparation and that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

4. We invite attention to: -

- (i) *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 Rs.1039.26 crore under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to Rs.2638.27 crore as on March 31, 2016. Further, as per Multi Year Tariff (MYT) Regulation 2011 and subsequent*

amendment, reactive power bills raised by the Company to Maharashtra State Electricity Transmission Company Limited (MSETCL) for Rs.62.37 Crore have not been accepted by MSETCL. Considering the non-acceptance of billing by MSEDCL and MSETCL, we are unable to comment on the realisability of such income and the impact on the Loss for the year, Trade Receivables, Revenue and the Reserves and surplus of the Company.

- (ii) *As stated in note no.31 of Notes on Accounts the balances of loans and advances, deposits, loan from world bank 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.*

As stated in note no. 32 of Notes on Accounts, the loans and advances include Rs.760.88 crore towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to Rs.373.52 crore. Pending final passing of the bills, the Company has not set off the said liability against the advance paid. This has resulted in overstatement of the respective assets and liabilities of the Company to that extent. The impact of the above on the loss of the Company is not ascertained.

Qualified Opinion

5. *In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and subject to our observations in point (i) to (iii) of para 4 above, the effect of which on the Loss for the year and net assets as at March 31, 2016 is unascertainable, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.*

Emphasis of Matters:

6. We draw attention to following notes:
- (a) Note no. 35(a)(ii) 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. 35(d) regarding agreements with the government of Maharashtra in respect of various hydro power generation facilities that are yet to be executed and the consequent disclosures as required under Accounting Standard 19 “Leases” issued under the Companies (Accounting Standards) Rules, 2006 pending execution of the lease.
 - (c) Note no. 35(i) regarding the justification of the company not to recognize any impairment loss on the investment in its subsidiary company, Mahaguj Collieries Ltd.
 - (d) Note no. 35(k) regarding accounting of the increase in value of the net Fixed Assets as on the date of transfer, depreciation on such increased value and consequent increase in equity capital based on the notification dated March 31, 2016 issued by the Government of Maharashtra through First Amendment in “Maharashtra Electricity Reforms Transfer Scheme 2005”.

Our opinion is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements

7. As required under Section 143(5) of the Companies Act, 2013, we give in the **Annexure I**, a Statement on the Directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the company.
8. As required by the Companies (Auditor's Report) Order, 2016 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in the **Annexure II**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a. We have sought and, *except for the possible effect of the matter described in para 4 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 purpose of our audit;
- b. In our opinion, *except for the effect of the matters described in the Basis for Qualified Opinion paragraph above*, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. *Subject to our observations in para 4 above*, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. Being a Government Company, pursuant to the notification number GSR 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 financial statements Refer Note 23 to the financial statements.
 - ii. The Company does not have any long-term contracts which require it to make provision for material foreseeable losses. Also, the Company has not entered into any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Borkar & Muzumdar
Chartered Accountants
FRN: 101569W

For 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: 3rd September, 2016

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 7 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2016

- 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.2015-16. The Company has received a letter from MSEB Holding Company Ltd (its parent company) to recognize in its books certain unidentified 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 unidentified 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 unidentified assets / liabilities. Such balances include transfer of capital reserve amounting to Rs.265 Crore. (Company's share Rs.66 crore) The Company has not yet recognized these fictitious assets / liabilities (net liabilities of Rs.86 crore) 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 380 pending legal/arbitration cases given below:

Age of cases	No. of cases
Less than 1 year	38
1 to 2 Years	58
2 to 3 Years	19
3 to 5 Years	40
More than 5 Years	195
Others unattended	30
Total	380

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

The Company has represented that it has complied with the requirements of various pollution control acts including utilization and disposal of ash during the year 2015-16. However, the above information regarding compliance of various Pollution Control Acts and the impact thereof including utilization and disposal of ash has not been independently verified by us.

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

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

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

Yes. The company has the system for reconciliation of quantity/quality of coal ordered and received. However, the current process needs to be strengthened. Company recognizes the liability of coal on the basis of grades mentioned in suppliers' invoice instead of the grade determined by the technical analyst appointed by the MSPGCL. 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. However, such claims have not been recognized by the coal suppliers which results into difference in the outstanding balance with such companies along with other reasons.

Further, during the year, MSPGCL has lodged a claim against coal suppliers, for grade slippage of coal as per agreement amounting to Rs. 803.38 Crore. However, the supplier has claimed an amount of Rs.50 Crore 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 supplier.

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

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

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

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

For Borkar & Muzumdar
Chartered Accountants
FRN: 101569W

For Ummed Jain & Co
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CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place: Mumbai

Date: 3rd September, 2016

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 8 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2016

- (I) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset except in case of few assets at certain locations where item wise particulars and codification of fixed assets are in process of matching with the fixed asset register.
 - b) As informed to us, the Company has a policy of conducting physical verification of fixed assets once in three years. During the year, no physical verification of fixed assets was conducted by the management being the rest year.
 - 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 Rs. 45.62 crore and lease hold land of 1 accounting unit having Gross block Rs.131.02 crore & net block of Rs.101.73 crore, 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 Rs.395.88 Crore, 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 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, 2016 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 (Rs. 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 (Rs. 113.51 crore)</i>	<i>50.38</i>	<i>AY 2006-07</i>	<i>ITAT, Mumbai (Appeal by Department)</i>
<i>Income Tax Act</i>	<i>Penalty (Rs. 107.32 crore)</i>	<i>107.32</i>	<i>AY 2007-08</i>	<i>ITAT, Mumbai (Appeal by Department)</i>
<i>Income Tax Act</i>	<i>TDS on Service Tax</i>	<i>0.09</i>	<i>AY 2009-10</i>	<i>TAT, 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 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: 3rd September, 2016

ANNEXURE III TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 9(f) REQUIRED BY SECTION 143(3) OF THE ACT OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2016

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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of Internal Financial Controls, both issued by ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. 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 March 31, 2016.

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

For Borkar & Muzumdar
Chartered Accountants
FRN: 101569W

For Umed Jain & Co
Chartered Accountants
FRN: 119250W

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

CA Devang Vaghani
Partner
ICAI M No. 109386

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

CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place: Mumbai

Date: 3rd September, 2016

MAHARASHTRA STATE POWER COMPANY LIMITED [CIN -U40100MH2005SGC153648]

Balance Sheet As At 31st March, 2016

(Amount in ₹)

	Note No.	As At 31-03-2016	As At 31-03-2015
I. EQUITY & LIABILITIES			
(1) Shareholders funds:			
(a) Share Capital	1	240,983,567,880	80,572,845,640
(b) Reserves and surplus	2	(65,617,617,157)	22,149,432,874
(2) Share Application money pending allotment	24	7,559,800,025	9,303,117,897
(3) Non-Current Liabilities			
(a) Long Term borrowings	3	227,545,106,917	246,372,857,959
(b) Deferred tax liability (net)	4	15,242,719,078	14,716,917,044
(c) Other long term liabilities	5	11,264,282,079	21,885,741,182
(d) Long term provisions	6	8,033,662,740	8,384,283,631
(4) Current Liabilities			
(a) Short Term borrowings	3(A)	94,399,618,752	60,390,342,818
(b) Trade Payables	7	13,825,699,544	40,637,276,388
(c) Other Current liabilities	7(A)	68,434,518,849	38,837,440,377
(d) Short Term Provisions	6	2,552,181,911	3,598,589,967
Total		624,223,540,618	546,848,845,776
II Non-current Assets			
(a) Fixed assets:			
(i) Tangible Assets (Net Block)	8	276,549,004,308	182,417,961,034
(ii) Intangible Assets (Net Block)	8	161,741,721	161,606,095
(iii) Capital work-in progress	8(A)	174,346,896,303	205,685,982,271
(b) Non-Current Investments	9	1,100,000	1,600,000
(c) Long term loans and advances	10	3,895,714,155	9,204,584,731
Current Assets			
(a) Inventories	11	19,025,102,663	14,231,644,368
(b) Trade Receivables	12	113,430,278,720	106,071,335,924
(c) Cash and cash equivalents	13	1,443,267,091	902,604,652
(d) Short term Loans and advances	10	28,444,738,778	24,720,021,849
(e) Other Current Assets	14	6,925,696,881	3,451,504,852
Total		624,223,540,618	546,848,845,776
See accompanying notes to the financial statements.			

As per our report attached

For M P Chitale & Co

Chartered Accountants

(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)

Place: Mumbai

Date: 3rd September, 2016**for Maharashtra state Power Generation co.Ltd**

J.K. Srinivasan

Director (finance) & CFO

DIN No. 01220828

BipinShrimali

Chairman & Managing Director

DIN No. 03272135

Pankaj Sharma

Chief General Manager (A)

Rahul Dubey

Company Secretary

M No. A14213

MAHARASHTRA STATE POWER COMPANY LIMITED [CIN -U40100MH2005SGC153648]

Statement Of Profit & Loss For The Year Ended 31st March, 2016

(Amount in ₹)

		Note No.	2015-2016	2014-2015
I.	Revenue from Operations	15	192,934,227,739	189,699,956,877
II.	Other income	16	1,036,389,861	2,669,738,910
III.	Total Revenue [I+II]		193,970,617,601	192,369,695,786
IV.	Expenses			
	(a) Cost of Material Consumed	17	113,751,611,829	121,822,387,275
	(b) Employee benefit expense	18	12,683,411,344	14,149,169,872
	(c) Finance Cost	19	20,082,077,350	19,526,435,700
	(d) Depreciation/ Amortisation	8	12,757,172,120	10,916,528,695
	(e) Other expenses	20	17,324,825,445	15,945,894,104
	(f) Prior Period Items (Net)	21	(410,481,863)	(80,303,807)
	Total Expenses		176,188,616,226	182,280,111,838
V.	Profit before extra ordinary items and tax (III-IV)		17,782,001,375	10,089,583,948
VI.	Extraordinary Items	21(a)	105,202,437,430	-
VII.	Profit before Tax (V-VI)		(87,420,436,056)	10,089,583,948
VIII.	Tax Expense			
	(a) Current Tax			2,424,000,000
	(b) Deferred Tax		525,802,034	3,307,740,490
IX.	Profit / (Loss) for the period		(87,946,238,090)	4,357,843,458
X.	Earnings per equity share			
	(1) Basic		(9.72)	0.52
	(2) Diluted		(9.72)	0.52
	See accompanying notes to the financial statements.			

As per our report attached

For Maharashtra State Power Generation Co. Ltd.
For M P Chitale & Co

Chartered Accountants

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

 J.K. Srinivasan
 Director (finance) & CFO
 DIN No. 01220828

 Bipin Shrimali
 Chairman & Managing Director
 DIN No. 03272135

For Borkar & Muzumdar

Chartered Accountants

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

 Pankaj Sharma
 Chief General Manager (A)

 Rahul Dubey
 Company Secretary
 M No. A14213

For Ummed Jain & Co

Chartered Accountants

 (CA U.M. Jain)
 Partner (ICAI M No. 070863)
 Place: Mumbai
 Date: 3rd September, 2016

NOTES TO FINANCIAL STATEMENTS

1) Significant Accounting Policies and Notes to Accounts forming part of Financial Statements for the year ended 31st March, 2016

a) Basis of preparation of financial statements

The Company is a Public Limited Company registered under the provisions of Companies Act, 1956. The Company is governed by the Electricity Act, 2003. The provisions of the Electricity Act, 2003 read with the rules made there under prevails wherever the same are inconsistent with the provisions of Companies Act 2013 to the extent applicable, in terms of section 174 of the Electricity Act, 2003.

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

b) Use of Estimates

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

c) Tangible Fixed Assets

- (i) Fixed assets of the Company are recorded in the books of accounts at historical cost. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and provision for obsolescence/ impairment, if any.

Government of Maharashtra issued "Maharashtra Electricity Reforms Transfer (First Ammendment) Scheme, 2016" vide its notification dated 31.03.2016. As per Clause 3 of the said order, "Maharashtra Electricity Reforms Transfer Scheme, 2005" is amended and clause 10A is inserted in respect of Asset Valuation. As per this clause 10A "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". Accordingly, the Company has inflated the gross value of Fixed Assets by the amount of increase in Net Fixed Assets as at 01-04-2015 over Net Fixed Assets as at 05-06-2005 as given in respective head of assets in the said notification.

- (ii) Cost of acquisition is inclusive of freight, duties & taxes (other than those subsequently recoverable from taxing authorities), levies, borrowing costs and all incidentals attributable to bring the asset ready for intended use.
- (iii) Capital Expenditure incurred by the Company, resulting in creation of fixed assets for which Company does not have ownership rights, is reflected as a part of capital work in progress till the assets are under construction and thereafter in the fixed assets schedule under the head "Capital Expenditure resulting in Assets not belonging to the Company" Revenue expenditure incurred for contribution towards cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss.
- (iv) In case of Capital Work in Progress where the final settlement of bills with the contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- (v) Claims for price variation in case of capital contracts are accounted for, on acceptance thereof by the Company.

- (vi) The costs incurred on identification, survey and feasibility studies of a project under sanction is covered under capital work in progress till the event of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to revenue in the year of its rejection.
- (vii) Fixed assets are shown in the books of account net of any government grants received in respect of those fixed assets.
- (viii) Fixed Assets costing individually up to ₹ 5,000/- and mobile phones are depreciated fully in the year of purchase.
- (ix) Assets retired from active use and held for sale are valued at Net Book Value or Net Realisable Value whichever is lower and disclosed as other current assets.

(x) Intangible Assets -

Intangible Assets are capitalized at cost less accumulated amortization and impairment losses, if it is probable that the future economic benefits that are attributable to the assets will flow to the Company.

(xi) Capital Work-in-progress

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

- (xii) The total cost including all office expenses incurred by the Company at project and planning offices for the period, are apportioned to respective Capital Work-in-Progress accounts in respect of projects under implementation, on the basis of cumulative balances of expenditure in respect of assets under construction.
- (xiii) The costs incurred and revenue generated during the trial runs stage of the Project / Power Station are adjusted during capitalization.

d) Borrowing Cost

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

e) Impairment of Assets

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

f) Critical/ Insurance Machinery Spares

- (i) Machinery spares procured along with the Plant & Machinery, whose use is expected to be irregular are capitalized separately, if cost of such spares is known and if cost of such spares is not known, these are capitalized along with concerned plant.
- (ii) Machinery spares procured subsequently are also capitalized in the year of purchase.
- (iii) Machinery spares are depreciated fully over the remaining useful life of the related plant and machinery.
- (iv) Written Down Value of old Machinery Spares is charged to revenue in the year in which such spares are replaced and the old relevant spares are found to be of no further use. However, if the old relevant spares can be repaired and reused, then both are continued to be depreciated over the remaining useful life of the relevant asset. The repair charges of the old relevant spares are charged to Statement of Profit and Loss.
- (v) In case of replacement of part of asset / replacement of capital spare where Written Down value of such original part of

asset / capital spare is not known, the cost/ net book value of the new part of asset / new capital spare shall be written off.

Machinery Spares (Other than Critical/ Insurance Machinery Spares)

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

g) Depreciation /Amortization

(i) Tangible Fixed Assets:

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

Government of Maharashtra issued “Maharashtra Electricity Reforms Transfer (First Ammendment) Scheme, 2016” vide its notification dated 31.03.2016. As per Clause 3 of the said order, “Maharashtra Electricity Reforms Transfer Scheme, 2005” is amended and clause 10A is inserted in respect of Asset Valuation. The company has provided depreciation for such increase in Market Value of Fixed Assets by providing Depreciation in manner described here under :

in case the assets which are depreciated upto 90% by 31.3.2015 :- 90% of the increased amount has been fully charged as depreciation.

In case of assets which have been disposed off upto 31-03-2015 :-

100% of the increased amount has been charged to Statement of Profit & Loss.

In case of the assets which are not yet depreciated upto 90% by 31.3.2015 :-

Year-wise depreciation on the increased amount is calculated on pro-rata basis with reference to the year-wise depreciation originally charged on pre-revised Gross Basis.

The depreciation on the increased amount is shown under “Extraordinary Items” in Profit & Loss Statement.

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

Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised useful life determined by technical assessment.

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

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

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

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

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

(iv) Intangible Assets:

Expenses capitalized on account of purchase of new application software, implementation of the said software by external third party consultants and purchase of licenses are amortized over their estimated useful lives not exceeding ten years. Other intangible assets are amortized over the period for which benefits are estimated to generate sufficient economic benefits.

h) Inventories

Stock of materials including stores, spare parts is valued at lower of cost or net realizable value, and cost is determined on weighted average cost method. Cost comprises of cost of purchase (net of VAT refund receivable) and other costs incurred in bringing them to their present location and condition. Steel scrap and coal mill reject, not being part of inventory, are not recognized in Books of Accounts as an inventory item.

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

i) Revenue Recognition

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

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

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

j) Investments

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

k) Foreign Currency transactions

A foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency prevailing on the date of the transaction.

At the Balance Sheet date, foreign currency monetary items are reported using the closing rate. Gain or loss, if any, is recognized in the Statement of Profit and Loss for the year.

The gain or loss arising on account of exchange rate differences between the payment date and transaction date/ previously converted value is charged to the Statement of Profit and Loss.

l) Employee Benefits

(i) Short Term Employee Benefits

The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as liability (accrued expense).

(ii) Post-employment benefits

Defined Benefit Plan

Gratuity and Leave encashment

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

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

(iii) Provident Fund Benefit

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

m) Leases

Finance Lease

Assets acquired as Finance leases, where the Company has substantially all the risks and rewards of ownership, such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period. The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra.

Operating Lease

Assets taken on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expense on straight line basis.

n) Taxation

(i) Income Tax

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

(ii) Deferred Tax

Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, subject to consideration of prudence by applying the tax rate and laws enacted or substantially enacted by Balance Sheet date as per the Accounting Standard – 22 “Accounting for tax on Income”.

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

o) Prior Period Items and Extra-Ordinary Items/Exceptional Items

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

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves the understanding of the performance of the company. Such income or expense is classified as exceptional item and accordingly disclosed in notes to accounts

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are disclosed in cases where they are in excess of Rs.10 lakhs individually in value. Financial effect of contingent liabilities is disclosed based on information available up to the date on which financial statements are approved.

Contingent assets are not recognized in the financial statements.

q) Government Grant Policy:-

Government grants related to specific fixed asset are deducted from gross value of such fixed asset. Government grants related to revenue is accounted for on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related cost which they are intended to compensate.

r) Cash flow statement

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

s) Earning Per Share (EPS)

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

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

t) Ex-gratia

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

Note no. 1**SHARE CAPITAL****I) Authorised Capital**

Class of Share	Par value ₹	As at 31-03-2016		As at 31-3-2015	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	25,000,000,000	250,000,000,000	25,000,000,000	250,000,000,000

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

Class of Share	Par value ₹	As at 31-03-2016		As at 31-3-2015	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	24,098,356,788	240,983,567,880	8,057,284,564	80,572,845,640

iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31-03-2016		As at 31-3-2015	
	Equity Shares		Equity Shares	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Outstanding at the beginning of the year	8,057,284,564	80,572,845,640	6,808,370,164	68,083,701,640
Addition during the period	16,041,072,224	160,410,722,240	1,248,914,400	12,489,144,000
Outstanding at the end of the year	24,098,356,788	240,983,567,880	8,057,284,564	80,572,845,640

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

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

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

Name of Shareholder	As at 31-03-2016	As at 31-3-2015
	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	24,098,306,788	8,057,234,564
MSEB Holding Company Ltd. (Amount in ₹)	240,983,067,880	80,572,345,640

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 31-03-2016		As at 31-3-2015	
	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	24,098,306,788	99.99	8,057,234,564	99.99

Note no.2
Reserves & Surplus

(Amount in ₹)

Reserves & Surplus	As at 31-03-2016	As at 31-3-2015
Surplus as per Statement of Profit & Loss		
Balance at the beginning of the year	22,073,151,075	17,715,307,617
Add:-		
Profit transferred from Statement of Profit & Loss	(87,946,238,090)	4,357,843,458
Closing Balance	(65,873,087,015)	22,073,151,075
Fly Ash Utilisation Fund at beginning of the year (refer note no. 22)	-	-
Additions during the year	268,165,743	303,837,673
Utilisation during the year	(268,165,743)	(303,837,673)
Closing Balance of Fly Ash Utilisation Fund	-	-
Opening Capital Grant	76,281,799	50,547,466
Additions during the year	179,188,059	25,734,333
Utilisation during the year	-	-
Closing Capital Grant Reserve	255,469,858	76,281,799
Total Reserves & Surplus	(65,617,617,157)	22,149,432,874

Note no.3
LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	Long term borrowings		Current Maturities of Long terms Borrowings	
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2016	As at 31-03-2015
Secured Loan				
Term Loan				
From Financial Institutions				
Power Finance Corporation	118,490,291,914	121,373,270,862	5,173,228,202	4,075,170,227
Rural Electrification Corporation	98,145,652,812	101,843,923,824	4,309,916,000	1,077,479,166
Loan from Housing Urban Development Corporation	75,891,935	43,439,339	30,020,000	35,500,000
Loan from IREDA	-	160,826,000		39,392,000
From Banks				
Term Loans	787,198,299	16,097,644,696	20,263,470,000	313,396,800
	217,499,034,960	239,519,104,722	29,776,634,202	5,540,938,192
Unsecured Loan				
Term Loan				
From Financial Institution				
Power Finance Corporation	4,069,355	468,826,384	464,757,046	1,455,832,883
From Others				
KFW 150 MW Solar (Refer Note 38(h))	7,003,825,464	6,113,594,131	1,740,000,000	1,844,800,000
Loan from World bank	984,538,835	270,832,310	27,400,000	
Government of Maharashtra	451,142	500,412	41,700	316,292,430
Loan from CSSEPL (Baramati Project)	2,053,187,161		42,996,000	-

	10,046,071,957	6,853,753,237	2,275,194,746	3,616,925,313
Total	227,545,106,917	246,372,857,959	32,051,828,948	9,157,863,505
Less :- Transferred to Other Current liabilities (Note No. 7)			(32,051,828,948)	(9,157,863,505)
Net Total	227,545,106,917	246,372,857,959	-	-
<i>(Refer note 25(A) Annexure 'A' for disclosure of terms & conditions and Securities)</i>				

Note No. 3 (A)

(Amount in ₹)

Short Term Borrowings	As at 31-03-2016	As at 31-03-2015
Loan repayable on Demand (Secured)		
From Banks		
Cash Credit	47,462,546,062	50,390,342,818
	47,462,546,062	50,390,342,818
Loan repayable on Demand (Unsecured)		
From Banks		
Working Capital loan from Banks	8,690,017,377	9,490,891,269
Other Short Term Loan from Banks	38,247,055,314	509,108,731
	46,937,072,691	10,000,000,000
Total	94,399,618,752	60,390,342,818
<i>(Refer note 25(B) Annexure 'B' for disclosure of terms & conditions and Securities)</i>		

Note No. 4

(Amount in ₹)

Deferred Tax	Opening Balance As on 31-03-2015	Debit/Credit during year	Closing Balance As on 31-03-2016
Deferred Tax Liability (A)			
Difference of WDV as per Books and Income Tax	24,969,437,068	4,475,248,720	29,444,685,788
Deferred Tax Asset (B)			
Disallowance u/s 43B of Income Tax Act, 1961	3,500,985,153	45,093,510	3,546,078,663
Disallowance u/s 40(a)(7) of Income Tax Act, 1961	1,768,908,684	(102,338,154)	1,666,570,530
Unabsorbed Depreciation loss carried forward	4,982,626,182	4,006,691,330	8,989,317,512
Total	10,252,520,024	3,949,446,686	14,201,966,705
Net Deferred Tax Liability (A-B)	14,716,917,044	525,802,034	15,242,719,083

Note No. 5

(Amount in ₹)

Other Long Term liabilities	As at 31-03-2016	As at 31-03-2015
(I) Deposits & Retentions	10,966,693,078	20,873,407,846
(ii) Other liabilities	108,585,915	145,539,637
(iii) Liabilities towards Related Parties	189,003,086	866,793,699
Total	11,264,282,079	21,885,741,182

Note No. 6

(Amount in ₹)

Provisions	Long Term		Short Term	
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2016	As at 31-03-2015
Provision for Employee benefits				
Provision for gratuity (Refer 35(a)(ii))	3,831,334,248	4,130,655,267	1,071,785,877	1,073,547,882
Provision for Leave encashment (Refer				

35(a)(ii)	4,202,328,492	4,253,628,364	1,480,396,034	1,305,168,992
Other Provisions				
Provision for Income Tax			-	2,424,000,000
Less: Taxes paid in Advance (including TDS)			-	1,204,300,000
	-	-	-	1,219,700,000
Provision for Wealth Tax			-	173,093
Total	8,033,662,740	8,384,283,631	2,552,181,911	3,598,589,967

Note No. 7
Trade Payables

(Amount in ₹)

Trade Payables	As at 31-03-2016	As at 31-03-2015
Payables to MSME	7,015,584	7,659,638
Payables to Other than MSME	13,818,683,960	40,629,616,750
Total	13,825,699,544	40,637,276,388

Note no. 7 (A)
Other Current Liabilities

(Amount in ₹)

Other Current Liabilities	As at 31-03-2016	As at 31-03-2015
Current Maturities of Long Term Debt (Note no. 3 & Annexure thereto)		
Interest accrued but not due on borrowings	32,051,828,948	9,157,863,505
Other Payables -		
(i) Deposits & Retentions	26,265,451,262	8,577,375,219
(ii) Payables for capital goods	980,433,559	5,307,278,970
(iii) Other Liabilities	915,816,959	4,643,517,400
(iv) Liabilities towards Related Parties	4,946,498,540	5,976,803,293
Total	68,434,518,849	38,837,440,377

Note No. 8A
Capital Work-in-Progress

(Amount in ₹)

Particulars	As at 01.04.2015	Addition as during the year	Transfer during the year	Total WIP as at 31.03.2016
Freehold land	99,857,027	48,217,833	-	148,074,860
Civil Work	35,664,299,825	5,591,037,570	(14,699,802,698)	26,555,534,696
Other Buildings	183,330,135	2,012,326	(176,816,658)	8,525,803
Plant & Machinery	169,881,673,247	19,182,523,719	(41,286,258,059)	147,777,938,906
Less: Provision for obsolescence	(143,177,963)	-	-	(143,177,963)
Total	205,685,982,271	24,823,791,447	(56,162,877,416)	174,346,896,303

Note No. 8

Assets	Gross Block (At cost)			Depreciation			Net Block		
	As at 01.04.2015	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2016	As at 01.04.2015	Depreciation for the year	Prior Period Depreciation	As at 31.03.2016	As at 31.03.2015
Tangible Assets									
Land (including development)									
Freehold	2,478,287,936	13,212,418,004	-	15,690,705,940	-	-	-	15,690,705,940	2,478,287,936
Leasehold	551,555,769	758,621,666	-	1,310,177,435	96,844,368	196,025,614	-	1,017,307,453	454,711,401
Buildings									
Factory Buildings	9,687,887,481	9,060,645,557	164,876,602	18,583,656,436	5,085,835,037	7,027,250,471	-	6,499,929,377	4,598,082,998
Others	6,090,136,709	5,732,029,886	230,317,402	11,591,849,193	1,606,061,256	1,770,010,948	(6,374,763)	8,222,301,118	4,484,075,453
Hydraulic Works	20,539,481,783	8,270,118,404	694,508,642	28,115,091,545	8,503,565,060	3,776,156,442	(1,188,472)	2,993,713	12,032,923,010
Other Civil Works									
Railway Sidings	7,117,123,715	8,081,820,266	3,145,639,666	12,053,304,315	1,589,897,682	2,307,150,989	(2,970,424)	-	5,527,226,033
Roads and Others	9,362,534,163	2,090,006,496	18,607,714	11,433,932,945	3,409,753,126	503,568,849	-	2,774,706	5,950,006,331
Plant, Machinery & Equipments	228,266,231,342	163,211,380,408	11,428,932,881	380,048,678,868	84,149,144,684	89,495,947,458	(76,798,484)	226,606,923	210,461,992,587
Lines & Cable Networks	3,433,702,607	2,643,609,731	570,552,454	5,506,739,884	1,559,995,638	1,664,189,190	-	67,862,369	1,805,844,600
Furniture & Fixtures	379,900,828	10,585,745	890,912	389,595,661	178,436,175	16,409,732	73,661	30,181	194,645,912
Vehicles	178,198,287	53,985,262	7,729,610	224,453,939	139,566,446	39,873,221	1,575	1,147,470	45,878,741
Office Equipments	345,139,068	(2,613,892)	(56,268)	342,581,444	199,548,455	13,937,690	2,456	128,543	128,964,301
Assets not owned by the company	-	-	-	-	-	-	-	-	-
Capital Expenditure resulting in Assets not belonging to the Company	883,047,359	11,345,647	-	894,393,006	296,938,413	48,428,735	-	455,686	548,570,172
Less:- Capitalised						(17,854,208)			
Total Tangible Assets	289,313,227,047	213,133,953,180	16,261,999,615	486,185,180,612	106,815,586,339	106,841,095,129	(87,254,451)	209,330,207,267	276,549,004,308
								305,969,037	79,679,674

Assets	Gross Block (At cost)			Depreciation			Net Block		
	As at 01.04.2015	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2016	As at 01.04.2015	Amortisation for the year	Prior Period Amortisation	As at 31.03.2016	As at 31.03.2015
Intangible Assets									
Right to receive water	9,987,907	-	-	9,987,907	9,987,907	-	-	9,987,907	-
Software Licences	312,370,268	29,916,385	3,152,887	339,133,766	150,764,173	29,780,759	3,152,887	177,392,045	161,741,721
Total Intangible Assets	322,358,175	29,916,385	3,152,887	349,121,673	160,752,080	29,780,759	-	187,379,952	161,606,095
								3,152,887	-

Note No. 9

(Amount in ₹)

Non-Current Investments (valued at cost less diminution other than temporary)		
	As at 31-03-2016	As at 31-03-2015
Trade Investments (Unquoted)		
Investment in Equity Shares		
In Subsidiary Companies		
50,000 (PY 50,000) Equity shares of "Dhule Thermal Power Company Limited" of Rs.10/- each fully paid-up	500,000	500,000
50,000 (PY 50,000) Equity shares of "Dhopave Coastal Power Company Limited" of Rs.10/- each fully paid-up	500,000	500,000
30,000 (PY 30,000) equity shares of UCM Coal Co. Ltd. Of Rs.10/- each fully paid up	300,000	300,000
25,00,000 (PY 25,00,000) equity shares of Latur Power Company Ltd. Of Rs. 10/- each fully paid up	-	-
30,000 (PY 30,000) Equity shares of "Mahaguj Colliery Limited" of Rs.10/- each fully paid-up	300,000	300,000
Total	1,600,000	1,600,000
Less:- Aggregate provision for diminution in value of investment	500,000	Nil
Net Investment	1,100,000	1,600,000

Note no. 10

(Amount in ₹)

Loans & Advances	Non Current		Current	
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2016	As at 31-03-2015
Capital Advances				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	1,329,266,962	7,128,270,033	-	-
Doubtful	-	-	-	-
	1,329,266,962	7,128,270,033	-	-
Security Deposits				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	816,736,582	879,927,406
Doubtful	3,259,976	3,259,976	-	-
	3,259,976	3,259,976	816,736,582	879,927,406
Less:- Provision for Doubtful Debts	3,259,976	3,259,976		
	-	-	816,736,582	879,927,406
Related Parties				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	333,725,188	327,062,853	3,500,653,726	768,802,110
Doubtful	65,303,606	2,712,798	-	-
	399,028,794	329,775,651	3,500,653,726	768,802,110
Less:- Provision for Doubtful Debts	65,303,606	2,712,798	-	-
	333,725,188	327,062,853	3,500,653,726	768,802,110
Others				
Advances recoverable in cash or in kind or for value to be received				

Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	27,517,896	417,756,091	782,993,966
Doubtful	1,688,423,991	1,913,921,343	-	-
	1,688,423,991	1,941,439,239	417,756,091	782,993,966
Less:- Provision for Doubtful Debts	1,688,423,991	1,913,921,343	-	-
	-	27,517,896	417,756,091	782,993,966
Advances for O & M supplies / works				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	8,559,364,656	4,869,032,559
Doubtful	470,214,015	9,995,428	-	-
	470,214,015	9,995,428	8,559,364,656	4,869,032,559
Less:- Provision for Doubtful Debts	470,214,015	9,995,428	-	-
	-	-	8,559,364,656	4,869,032,559
Advances for coal / fuel supplies				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	7,608,803,861	11,861,505,038
Doubtful	-	-	-	-
	-	-	7,608,803,861	11,861,505,038
Advances to staff				
Secured, Considered good	-	-	439,811	540,889
Unsecured, Considered good	145,738,659	185,628,186	287,386,158	452,351,652
Doubtful	-	-	-	-
	145,738,659	185,628,186	287,825,969	452,892,541
Balance recoverable from statutory authorities				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	645,539,441	5,248,862
Doubtful	1,570,574	-	-	-
	1,570,574	-	645,539,441	5,248,862
	1,570,574	-	-	-
	-	-	645,539,441	5,248,862
Prepaid expenses				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	-	320,231,861	55,987,655
Doubtful	-	-	-	-
	-	-	320,231,861	55,987,655
Claims receivable and other current assets				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	31,237,646	51,092,172	6,287,826,592	5,043,631,714
Doubtful	3,546,706	3,546,706	-	-
	34,784,352	54,638,878	6,287,826,592	5,043,631,714
Less:- Provision for Doubtful Debts	3,546,706	3,546,706	-	-
	31,237,646	51,092,172	6,287,826,592	5,043,631,714
Advance Tax Paid	11,484,196,117	8,513,755,247		
Less:- Provision for income Tax	(9,428,450,417)	(7,028,741,656)		
	2,055,745,700	1,485,013,591		
Net Total	3,895,714,155	9,204,584,731	28,444,738,778	24,720,021,849

Note no. 11
Inventories

(Amount in ₹)

Inventories	As at 31-03-2016	As at 31-03-2015
Raw Material -		
Coal	10,234,557,331	2,747,815,170
Coal in Transit	518,196,190	481,841,852
Fuel Oil, LDO etc.	1,844,512,475	1,686,006,394
Stores and spares	8,945,004,845	11,692,113,062
Less:-Provision for loss on obsolescence of stores	2,517,168,177	2,376,132,111
Net Total	19,025,102,663	14,231,644,368

Note No. 12
Trade Receivable

(Amount in ₹)

Trade Receivable	As at 31-03-2016	As at 31-03-2015
- Outstanding for more than six months from due date		
Secured, Considered good	-	-
Unsecured, Considered good	7,973,647,143	11,033,933,410
Doubtful	-	-
	7,973,647,143	11,033,933,410
- Others		
Secured, Considered good	-	-
Unsecured, Considered good	105,456,631,577	95,037,402,514
Doubtful	-	-
	105,456,631,577	95,037,402,514
Total	113,430,278,720	106,071,335,924

Note No. 13

(Amount in ₹)

Cash and Cash Equivalent	As at 31-03-2016	As at 31-03-2015
(1) Balances with banks Current Account	1,442,760,570	901,963,462
(2) Cash on hand	506,521	641,190
Total	1,443,267,091	902,604,652

Note No. 14

(Amount in ₹)

Other Current Assets	As at 31-03-2016	As at 31-03-2015
Inventory pending investigation	640,167,995	942,528,749
Less:- Provision for material pending investigation	(640,167,995)	(942,528,749)
	-	-
Assets held for Sale	1,341,666,870	464,644,371
Unbilled Revenue	5,584,030,010	2,986,860,481
Total	6,925,696,881	3,451,504,852

Note No. 15

(Amount in ₹)

Revenue from Operations	2015-16	2014-15
Operating Revenue -		
Revenue from sale of power	182,367,791,338	179,162,059,932
Less:-Electricity duty recovery	11,160,578	14,206,773
Less:-Tax on sale of electricity recovery	415,896	667,660
Revenue from sale of power	182,356,214,864	179,147,185,499
Revenue Subsidy	16,423,680	16,728,240
Total	182,372,638,544	179,163,913,739
Other Operating Revenue-		
Surcharge Income from consumers	10,392,609,828	10,510,435,446
Sale of Mill Reject Coal	168,979,367	25,607,692
Sale of Fly Ash	268,165,743	303,837,673
Less:- Transferred to Fly Ash Utilisation Fund	(268,165,743)	(303,837,673)
Total	10,561,589,195	10,536,043,138
TOTAL REVENUE FROM OPERATIONS	192,934,227,739	189,699,956,877

Note No. 16

(Amount in ₹)

Other Income	2015-16	2014-15
Interest income	2,295,513	4,380,434
Other Non-Operating Income		
Income from rent, hire charges etc.	64,263,157	32,994,718
Profit on sale of assets/stores/scrap	111,976,234	306,792,677
Sale of tender forms	28,632,963	27,206,357
Sundry Credit balance write Back	224,281,924	180,017,119
Other receipts	604,940,071	257,466,558
Gain on Foreign Exchange Variation (Net)	-	1,860,881,047
Total	1,036,389,861	2,669,738,910

Note No. 17

(Amount in ₹)

Cost of Material Consumed	2015-16	2014-15
Coal	104,647,431,518	107,204,249,783
Gas	7,475,210,888	9,750,217,959
Oil	1,179,426,398	3,325,101,196
Water	449,543,025	1,542,818,337
Total	113,751,611,829	121,822,387,275

Note No. 18

(Amount in ₹)

Employee Benefit Expenses	2015-16	2014-15
Salaries, allowances, Bonus etc.	9,442,957,826	7,674,732,979
Contribution to Provident Funds & other funds	973,416,210	878,466,032
Staff welfare expenses	294,202,086	138,591,328
Other staff costs	191,778,506	139,698,730
Leave encashment scheme	674,467,650	3,158,390,745
Gratuity	1,106,589,067	2,159,290,057
Provision for Shortfall in Plan assets	-	-
Total	12,683,411,344	14,149,169,872

Note No. 19

(Amount in ₹)

Finance Cost	2015-16	2014-15
Interest on		
State Government loans	19,601,716	56,300,000
Other loans	16,200,786,875	15,498,133,674
Borrowing for working capital	3,818,223,103	3,845,441,207
Other Borrowing Cost		
Government guarantee fees/ charges	22,747,282	60,110,070
Fees and other charges	20,718,373	66,450,749
Total	20,082,077,350	19,526,435,700

Note No. 20

(Amount in ₹)

Other expenses	2015-16	2014-15
Rent	153,820,624	150,593,449
Lease rent	5,378,300,000	5,482,300,000
Repairs and Maintenance		
Plant & machinery & Building	7,475,607,140	7,391,697,033
Ash Handling Expenses	326,294,119	431,272,356
Repair & Maintenance - Others	5,753,811	3,811,485
Insurance charges	113,964,683	118,482,943
Rates and taxes	210,407,849	190,762,913
Others -		
Lubricants, consumables & stores including obsolescence	578,496,988	852,848,984
Domestic Water	1,179,305	10,377,488
Legal and professional charges	80,048,156	68,421,287
Auditor's remuneration (Refer note 26)	6,870,000	6,736,235
Commission to agents	230,895,053	84,970,566
Other Bank Charges	32,165,146	90,596,425
Contribution towards assets not owned by Company / CSR expenditure	62,016,396	130,714,908
Provision for doubtful advances	563,718,804	128,914,439
Other general expenses	1,153,240,858	1,082,045,216
Loss on fixed assets sold / scrapped	-	-
Loss on obsolescence of Fixed Assets	282,060,192	25,186,050
Loss on foreign exchange variance (Net)	938,152,064	-
	17,592,991,188	16,249,731,777
Expenses transferred to Fly Ash utilization fund	268,165,743	303,837,673
Total	17,324,825,445	15,945,894,104

Note No. 21

(Amount in ₹)

Prior period (credits)/charges (net)	2015-16	2014-15
Income		
Other income	(895,391,321)	(118,052,150)
Other excess provisions in prior periods	-	-
Coal /Gas Related Gain	-	-
(Exces)s/ short provision for depreciation	(87,254,451)	(10,821,791)

Receipts from consumers	-	-
Sub Total	(982,645,772)	(128,873,941)
Expenses		
Fuel related (gains) / losses	-	-
Net Interest and finance charges	-	-
Operating expenses	572,163,909	48,570,134
Employee costs	-	-
Excess in billing of earlier years	-	-
Material related expenses	-	-
Sub Total	572,163,909	48,570,134
Total	(410,481,863)	(80,303,807)

Note No. 21(a)

(Amount in ₹)

Extra ordinary items	2015-16	2014-15
Extra ordinary Depreciation	94,113,703,768	-
Extra ordinary write off	11,088,733,662	-
Total	105,202,437,430	-
(Refer note 35(k))		

21(b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 739,45,16,906 (Previous Year ₹ 1763,11,27,762).

21(c) Other Significant Commitments

(a) Company has entered into Power Purchase Agreement with MSEDCL for Sale of power generated by the company & this agreement remains operative for the period of twenty-five years unless extended or terminated earlier.

(b) Agreement / Order has been made / placed with M/s. Ultra Tech cement Ltd. for Sale/ Disposal of fly ash on long term for 15 years basis ending in FY 2023-24.

(c) Coal linkage of 46.328 Million MT per annum has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price. The Fuel supply agreement of coal is valid up to year 2029.

(d) Company has gas purchase and transportation agreement with Gas Authority of India Ltd. towards 3.5 MMSCMD upto 05.07.2021.

22) Fly Ash Utilisation Fund

The income from sale of fly ash is being accumulated in a separate fund and amount spent on expenditure incurred for promotion of fly ash utilisation is reduced therefrom to the extent of accumulation and the excess if any is recognised as expense in the Statement of Profit and Loss. Such presentation and disclosure does not have any net impact on the profit or loss for the year. This presentation and disclosure is in accordance with the guidelines issued by MOE&F dated 03-11-2009. Accordingly, sale of fly ash of ₹ 268,165,743 (PY ₹303,837,672) and equivalent expenses are reduced therefrom as disclosed in note no. 2.

23) Details of contingent liabilities: (in excess of ₹ Ten lakhs individually in value)

Sr. No.	Particulars	2015-16	2014-15
(a)	Bank Guarantee issued by Bankers of company in favour of Third Parties	32,118,321	32,118,321
(b)	Bank Guarantee / Letter of Credit issued by Bankers of company	7,407,724,160	4,188,699,422
(c)	Claims against company not acknowledged as debts	12,188,061,991	12,698,814,306
(d)	Disputed Duties / Tax Demands	1,121,090,337	1,110,421,482

24) Share Capital

Share Application Money Pending Allotment

Opening Equity Capital

Pursuant to the transfer scheme of the erstwhile MSEB framed for the purpose of restructure of the electricity board, an amount of ₹ 25,633,633,537 has been allocated to the Company as equity share capital. As per the scheme, the Company is required to issue equity shares of the said amount to MSEB Holding Company Limited. Accordingly Shares amounting to ₹ 25,000,000,000 have been allotted to MSEB Holding Co. Ltd. during the year 2008-09 and ₹ 633,633,537 were shown under 'Share Application Money Pending Allotment' until previous year and during current year same has been allotted.

Subsequent Receipts of contribution towards Equity

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

GOM has been contributing such equity support since financial year 2006-07. No time frame has been defined at the time of contribution for allotment of shares. Accordingly the Company has been accounting such amounts received under the head "Share application money pending allotment." The balance excluding opening equity under the head Share application money pending allotment as at March 31, 2015 was ₹ 8,669,484,360. During the year the Company has received ₹ 7,559,800,025. and the board has allotted 930,311,789 equity shares at par amounting to ₹ 9,303,117,890 to MSEB holding Company Limited. The balance of ₹ 7,559,800,000 as at March 31, 2016 would be issued to the MSEB holding Company Limited on approval of such allotment by the board.

During the year, Government of Maharashtra has notified "Maharashtra Electricity Reforms Transfer Scheme, 2016" vide its notification dated 31.03.2016. As per this scheme valuation of fixed assets of company has been increased by ₹ 151,107,604,350. The consequential increase in the value of assets has been compensated by way of issuance of equivalent Equity share capital to MSEB Holding Company Limited. These shares have also been allotted during current year.

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

25(A) Details of Loans –

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

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

26) Payment to Auditors:

Particulars	2015-16 (₹)	2014-15 (₹)
As Auditors – For Statutory Audit	5,550,000	5,400,000
For Other Services	0	0
Reimbursement of expenses	450,000	668,795
Service tax on audit fees	870,000	667,440
Total	6,870,000	6,736,235

27) Value of imports calculated on CIF basis

Particulars	2015-16 (₹)	2014-15 (₹)
Raw Material	Nil	Nil
Components and Spare parts	20,997,508	Nil
Capital Goods	Nil	Nil

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

	Particulars	2015-16		2014-15	
		%	(Amount in ₹)	%	(Amount in ₹)
A)	Raw Materials – Coal, Gas & Oil				
	Indigenous	100	105,349,532,779	100	101,280,367,140
B)	Stores, Spares and Component				
	Imported	0.24	9,154,546	0.23	4,811,134
	Indigenous	99.76	3,782,736,134	99.81	2,577,097,836
	Total		3,791,890,680		2,581,908,970

29) Break Up of Energy Sold

Power Plant	Value (₹)	
	2015-16	2014-15
Hydro	7,367,817,036	6,170,953,339
Thermal	161,661,872,985	155,278,427,615
Gas	9,302,546,646	10,639,355,824
Solar	3,924,404,004	3,338,041,664
Total	182,256,640,670	175,426,778,442

Above is excluding sales to residential colony & surcharge and other true - up / adjustment bills to ₹ 10,508,607,703/- (PY ₹ 14,247,570,743)

- 30) Revenue Subsidy / Grant –During the current year the company has recognized revenue from sale of power through solar project amounting to ₹ 392,440,4004 (PY Rs.3,338,041,664) and has lodged claim of ₹16,423,680 (PY ₹16,728,240) @ ₹ 12 per Unit with Government of India towards Revenue subsidy/ Grant in the form of Generation Based Incentive.
- 31) Company raises energy sale bill, Fuel Adjustment Charges Bill, Surcharge bill etc to MSEDCL. The funds received from MSEDCL are appropriated on First In First Out Basis. While doing so, the receipts are appropriated firstly towards interest on delayed receipts and subsequently towards the principal amount due from MSEDCL.

The balances of Trade Receivables, loans and advances, Deposits, Loan from World Bank and Trade payables are subject to confirmation and reconciliation if any.

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

otherwise in the Accounts.

- 32) Short Term Loans and advances include an amount of ₹ 7,608,803,861 (PY ₹ 11,861,505,038) towards advances paid to coal suppliers. Against these advances the company has liability for supply of coal amounting to ₹ 3,735,260,584 (PY ₹ 12,304,581,577) which is included in Trade Payable under the head current liabilities. Pending final passing of bills for coal supplied by these coal suppliers, the said advances and liabilities have not been adjusted.
- 33) An amount of ₹1,341,666,870 (PY ₹ 464,644,371) under the head 'Assets held for sale' represents assets which are not in active use and the management has decided to dispose such assets. In view of the management, the net realizable value would be higher than the carrying value in the books and therefore does not require any provisioning.
- 34) Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSME) Act, 2006 have been determined based on the information available with the company and the required disclosures are given below.

	Particulars	Amount (₹)
a)	Amount remaining Unpaid to any supplier	
	Principal Amount	7,015,584
	Interest Due thereon	109,212
b)	Interest paid by the company alongwith payment made beyond appointed day during the year	-
c)	Amount of interest accrued and remaining unpaid	1,975,642
d)	Further interest remaining due and payable even in the succeeding year until such date when interest is actually paid to small enterprise	5,765,889

35) **Disclosures required by Accounting Standards**

a) Employee Benefits

- (i) Short Term Employee Benefits Short term employee benefits like salaries, wages, allowances, perquisites, bonus, incentives, medical expenses reimbursements, contribution to group insurance schemes, leave travel assistance and other benefits which fall due within twelve months after the end of the period in which the employee render the related services are accounted as expenses in the period in which services rendered.
- (ii) Post Employment Benefits :- Defined Benefit Plan

Provident Fund:

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

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident funds are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The liability for the shortfall of interest is required to be accounted based on an actuarial valuation. The said Trust has not carried such actuarial valuation for the shortfall, if any, as at March 31, 2016. In the absence of the requisite details and information, the company accounted the shortfall based on the provisional financial statements of the trust as at March 31, 2016. Accordingly company has recognized ₹ Nil (PY ₹ Nil) liability (based on provisional accounts of CPF Trust) [being surplus to CPF Trust].

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

	Particulars	31st March, 2016	31st March, 2015
		(₹) (Unaudited)	(₹) (Unaudited)
1	Liability for subscriptions and interest payable to employees at the end of year	16,603,214,447	15,295,100,000
2	Fair Value of Plan Assets at the end of year	16,908,091,747	15,431,200,000
3	Net Liability	Nil	Nil

Description of Plan Assets

	Particulars	For the year ended 31st March, 2016 (in %) (Unaudited)	For the year ended 31st March, 2015 (in %) (Unaudited)
1	Special Deposit Schemes	29.41	31.64
2	Bonds issued by public sector enterprises and Financial institutions	35.10	33.95
3	Government Securities	27.98	33.55
4	Others	7.51	0.86

Gratuity (Unfunded Defined Benefit Plan) & Leave Encashment:

Leave Encashment Benefit (Unfunded Defined Benefit Plan):

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

Defined Benefit Plans – Gratuity and Long Term Compensated Absences – as per actuarial valuations as on March 31, 2016 and recognized in the financial statements in respect of Employee Benefit Schemes:

Expenses recognized in the Profit and Loss Account

	Components of Employer Expense	For the year ended 31st March, 2016 (₹)		For the year ended 31st March, 2015 (₹)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
1	Current Service Cost	149,973,540	114,594,941	120,156,437	107,317,933
2	Interest Cost	413,734,150	441,924,390	413,905,533	358,592,260
3	Curtailment Cost / (Credit)				
4	Settlement Cost / (Credit)				-
5	Past Service Cost				-
6	Actuarial Losses / (Gains)	542,881,377	117,948,318	1,586,978,856	2,299,050,820
7	Total expense recognized in the Statement of Profit and Loss Account	1,106,589,067	674,467,649	2,121,040,826	2,764,961,013
The gratuity expenses have been recognized as 'Gratuity' and Leave Encashment expenses as 'Leave Encashment Scheme' in "Employee Benefit Expenses" under Note no. 18.					

Reconciliation of Defined Benefit Obligation

		31st March, 2016 (31st March, 2015)(₹)	
Change in Defined Benefit Obligations		Gratuity Unfunded	Leave Encashment Unfunded
1	Present Value of Defined Benefit Obligation at the beginning of period	5,204,203,149 (4,474,654,412)	5,558,797,356 (3,876,673,079)
2	Current Service Cost	149,973,540 (120,156,437)	114,594,941 (107,317,933)
3	Interest Cost	413,734,150 (413,905,533)	441,924,390 (358,592,260)
4	Past Service Cost	-	-
5	Curtailement Cost / (Credit)	-	-
6	Settlement Cost / (Credit)	-	--
7	Actuarial(Gains) / Losses	542,881,377 (1,586,978,856)	117,948,318 (2,299,050,820)
8	Benefits Paid	1,407,672,091 (1,391,492,089)	550,540,479 (1,082,836,736)
9	Present Value of Defined Benefit Obligation at the end of period	4,903,120,125 (5,204,203,149)	5,682,724,526 (5,558,797,356)

Summary of Actuarial Assumptions

		For the year ended 31st March, 2016	
Actuarial Assumptions		Gratuity Unfunded	Leave Encashment Unfunded
1	Increment Rate	5%	5%
2	Rate of Discounting	7.99%	7.99%
3	Attrition rate	2%	2%
4	Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

b) Segment Reporting
Business Segment

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

Secondary Segment

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

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

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

Other disclosures as required by AS 18 are as under:

Remuneration paid to Directors

	Name of Related Party	Nature of Relationship	2015-16	2014-15
			(₹)	(₹)
I)	Mr. Bipin Shrimali	Chairman & Managing Director	2,407,727	451,120
ii)	Mr. Asheesh Sharma	Chairman & Managing Director (from 01-04-2013 to 05-01-2015)	-	1,960,350
iii)	Mr. J.K. Shrinivasan	Director (Finance)	3,010,807	2,424,920
iv)	Mr. C.S. Thotwe	Director (Project)	3,450,197	2,724,431
v)	Mr. V.P. Singh	Director (Operations)	4,352,283	3,657,500
Remuneration to Key Managerial Persons				
i)	Mr. A.R. Nandanwar	Executive Director	2,569,826	2,274,860
iii)	Mr. Manoj Ranade	Executive Director (HR)	2,011,702	1,593,567
iii)	Mr. Rahul Dubey	Company Secretary	1,845,703	1,508,732

d) Disclosures regarding leases

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

MSEB Holding Company Ltd. Lease - The Company has entered into the lease agreement with MSEB Holding company Ltd., initially for two years with effect from 01-04-2008 in respect of office premises occupied at Head Office i.e. Prakashgad and Dharavi, guest house at New Delhi and residential quarters at various places in Mumbai for which lease rent is payable to the extent of ₹120,347,008 p.a. for FY 2015-16 (PY ₹118,867,935). Further with effect from 27-05-2014, it has been mutually agreed among the group to extend the Agreement upto 31-03-2018 on same terms and conditions. Further the Company is also occupying certain part of premises at HSBC Building, Fort for which there is no lease agreement and hence there has been no provision for proportionate share of expenses for the past year. However expenditure will be accounted for on finalization of agreement.

Hydro Lease - MERC has issued order for revised lease rentals to be paid to Government of Maharashtra (GOM) with effective from 2012-13 in respect of various hydro power stations under the control of the Company. During year 2015-16 company has provided for lease rent of ₹ 3,183,500,000 (PY ₹ 3,215,400,000). Similarly, on the basis of Lease Rent order in respect of Ghatghar HPS dated 27-12-2012, Company has provided for ₹ 2,194,800,000 (PY ₹ 2,266,900,000) Further, vide letter dated 03-03-2011, GOM has informed that it would be taking over Bhatghar, Yeldari and Vaitarna HPS for Renovation and Modernization. However, at present these HPS are still in the possession of the Company and are being operated by the Company, hence the accounting effect of the same would be considered in the Books of Accounts of the Company in the year in which these HPS would be handed over to GOM.

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

Uran Leasehold Land - Company has acquired 1,90,799 sq. mtrs of land at Uran for the purpose of implementing Gas based Expansion project. The land for the said project has been acquired from CIDCO on lease vide Lease Deed dated 03-06-2008 for a period of sixty years at the cost of ₹ 429,300,000 and the same is being amortised.

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

Particulars	2015-16	2014-15
Profit After Tax as per Accounts (Amount in ₹) (For Basic and Diluted Earnings Per Share) – (A)	-87,946,238,090	4,357,843,458
Weighted Average number of shares outstanding during the year for Basic EPS (Nos.) – (B) *	9,046,293,122	8,350,499,715

Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) – (C)	9,046,293,122	8,350,499,715
Basic Earnings Per Share (A) / (B) (Amount in ₹)	-9.72	0.52
Diluted Earnings Per Share (A) / (C) (Amount in ₹)	-9.72	0.52
* Weighted average number shares includes shares to be allotted towards share application money. The Earning Per Share has been calculated for each share with nominal value of ₹10.		

f) Taxation

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

(g) Joint Venture Operations

UCM Coal Company Ltd.

The Ministry of coal had allocated Chendipada coal blocks of Talcher Coalfields in Orissa jointly to the company, Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. and Chattisgarh Mineral Development Corporation. For this purpose a Joint Venture company namely UCM Coal Company Ltd. (domicile India) has been incorporated for executing proposed mining project with a paid up capital of ₹1,600,000 (1,60,000 equity shares of ₹ 10 each) out of which Company has held equity shares amounting to ₹ 300,000 (30,000 equity shares of ₹ 10 each). The company has shareholding of 18.75% in the joint Venture. Based on the unaudited accounts of UCM Coal Company Ltd., the assets and liabilities as at 31st March 2016 in respect of the company's share in the above joint venture operation is as under:

Particulars	31-03-2016	31-03-2015
	Unaudited	Audited
Reserves & Surplus	-146,122	-156,270
Non-Current Liabilities		
Long Term Liabilities	937,500	937,500
Long Term Provisions	335,036	335,036
Current Liabilities		
Other Current Liabilities	2,438	-
Short Term Provisions	47,451	46,310
Non-Current Assets		
Net Block of		
Tangible Assets	4,424	5,025
Intangible Assets	342	342
Current Assets		
Cash and Others	1,476,303	1,457,210

Claim against the Company not acknowledged as debt:

In the light of Hon'ble Supreme court order dated 25-08-2014 and order dated 24-09-2014 de-allocating all the coal blocks which includes Chendipada and Chendipada II coal blocks M/s. Adani Enterprises Limited filed a claim of ₹ 494.76 Crores (previous year ₹ Nil) for restitution of expenditure and cost incurred by them towards performance of obligation under the Mining Contract for Chendipada Coal Blocks.

h) There are no outstanding Foreign Currency contracts as on 31-03-2016 which are hedged by the company.

i) Investment in Mahaguj Collieries Ltd.

The Hon'ble Supreme Court has vide its order dated 25.08.2014 read with Order dated 24.09.2014 cancelled the allocation of all the coal block made by Ministry of Coal, Govt. of India between the period 1993 to 2010 which includes the Machhakata-Mahanadi coal blocks allotted to Mahaguj Collieries Ltd. The Govt. of India has issued The Coal Mines (Special Provision) Act, 2015 (no. 11 of 2015) with retrospective effect from 21.10.2014 for reallocation process of cancelled coal blocks.

Accordingly, after the reallocation of the said blocks to new allottee by the Ministry of Coal, Govt. of India, the process for transfer of documents and rights namely the Geological Report, Mining Plan, Mine Closure Plan etc. and payment of compensation to the promoters of Mahaguj Collieries Ltd shall be undertaken as per the compensation that may be decided by the Ministry of Coal, Govt. of India.

In view of the above the company is confident of recovering the amount invested in subsidiary and there is no requirement of recognizing any impairment of the same.

j) Disclosure on coal washery operator claims

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

k) Note on 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 ₹ 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.

Accordingly, the Gross value of individual assets have been increased by ₹ 15,611 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 31-03-2016. Such depreciation amounted to ₹ 9,411 Crores. 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 during current year. Both the above items have been presented as extra ordinary items.

l) Advance Against Depreciation(AAD):

AAD income is allowed in previous Regulation of MERC in order to fulfill the gap between Loan principal repayment & Depreciation. Consequently, in terms of company's policy to recognize the income upon its accrual, a provision has been made in FY 2014-2015 against the AAD income for FY 2012-2013 in respect of Parli TPS Unit No. 6 & 7, Paras Unit No. 3 & 4 & Khaperkheda Unit no.5. This income will be recognised in FY 2024-2025 i.e. after completion of loan tenure of 12 years.

m) Previous year figures have been regrouped wherever necessary.

Cash Flow Statement For The Year Ended 31st March 2016

(Amount in ₹)

Particulars	2015-16		2014-15	
Cash flow from Operating Activities				
Net Profit After Taxes		(87,946,238,090)		4,357,843,458
Adjustments for:				
Provision for Taxation	525,802,034		5,731,740,490	
Current Year and Prior Depreciation and amortisation	107,027,765,008		10,874,684,995	
Interest Income	(2,295,513)		(4,380,434)	
Interest and finance charges	20,082,077,350	139,685,047,870	19,526,435,700	35,034,594,478
Provision for obsolescence of Stores	141,036,066		686,833,075	
Provision for obsolescence of Capital Asset	282,060,192		25,186,050	
Profit on sale of fixed assets	(83,484)		(75,063,969)	
Loss on sale of fixed assets	11,064,967,413		1,125,179	
Gain on foreign exchange	0		(1,860,881,047)	
Bad Debts Provided	563,718,804		128,914,439	
Operating profit before working capital changes				
Trade & Other Receivables	(9,812,699,979)		(27,363,655,299)	
Inventories	(4,934,494,361)		2,227,953,838	
Trade & Other Payables and Provisions for employee benefits	(32,260,923,401)		9,410,075,512	
Cash Generated from Operations		(47,008,117,741)		(15,725,625,949)
Taxes paid	(1,766,140,870)		(1,204,932,778)	
		(1,766,140,870)		(1,204,932,778)
Net Cash from Operating Activities		2,964,551,169		22,461,879,209
From Investing Activity				
(Purchase) of Fixed Assets including Capital Work In progress	(193,171,727,717)		(32,334,586,439)	
Sale of Fixed Assets including Capital Work In progress	12,004,925,654			
(Purchase)/Sale of Investments - of Joint Ventures	0		25,000,000	
(Purchase)/Sale of Investments - Others	500,000		0	
Interest Income	2,295,513		4,380,434	
		(181,164,006,550)		(32,305,206,005)
From Financing Activity				
Increase in grants	179,188,059		25,734,333	
Increase in Equity	158,667,404,368		7,463,163,000	
Borrowings	38,075,490,335		22,264,776,946	
Interest & Finance charges	(18,181,964,943)		(19,448,260,335)	
		178,740,117,820		10,305,413,944
Net Increase / (Decrease) In cash		540,662,439		462,087,148
Opening Balance				
Cash	641,190		1,525,649	
Bank	901,963,462	902,604,652	438,991,855	440,517,504

Closing Balance				
Cash	506,521		641,190	
Bank	1,442,760,570	1,443,267,091	901,963,462	902,604,652

For Maharashtra State Power Generation Co. Ltd.

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

(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, 3rd September, 2016

J.K. Srinivasan
Director (finance) & CFO
DIN No. 01220828

Bipim Shrimali
Chairman & Managing Director
DIN No. 03272135

Pankaj Sharma
Chief General Manager (A)

Rahul Dubey
Company Secretary
M No. A14213

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To, The Members of Maharashtra State Power Generation Co. Ltd,

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated 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”**), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss for the year then ended, the Consolidated Cash flow statement and a summary of significant accounting policies and other explanatory information(hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013(“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the generally accepted accounting principles in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules,2014, particularly Accounting Standard 21, Consolidated Financial Statements. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated 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 have placed reliance on audit reports issued by auditors of the subsidiary companies, referred to in paragraph on “Other Matters” stated below, and on the basis of such reliance, we have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those auditing standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Basis for Qualified Opinion

4. We invite attention to: -

- (i) *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 ₹1039.26 crore under the head 'Surcharge Income from Customers'. MSEDCL has not paid such Surcharge amounting to ₹2638.27 crore as on March 31, 2016. Further, as per Multi Year Tariff (MYT) Regulation 2011 and subsequent amendment, reactive power bills raised by the Company to Maharashtra State Electricity Transmission Company Limited (MSETCL) for ₹62.37 Crores have not been accepted by the MSETCL. Considering the non-acceptance of billing by MSEDCL and MSETCL, we are unable to comment on the realisability of such income and the impact on the Loss for the year, Trade Receivables, Revenue and the Reserves and surplus of the Company.*
- (ii) *As stated in note no.31 of Notes on Accounts 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.*
- (iii) *As stated in note no. 32 of Notes on Accounts, the loans and advances include ₹760.88 crore towards advance paid to coal suppliers. Against the said advance the Company has provided a liability towards supply of coal amounting to ₹ 373.52 crore. Pending final passing of the bills, the Company has not set off the said liability against the advance paid. This has resulted in overstatement of the respective assets and liabilities of the Company to that extent. The impact of the above on the loss of the Company is not ascertained.*

Qualified Opinion

5. *In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and subject to our observations in point (i) to (iii) of para 4 above the effect of which on the Loss for the year and net assets as at March 31, 2016 is unascertainable, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.*

Emphasis of Matters:

6. We draw attention to following notes to the consolidated financial statements:
 - (a) Note no. 35(a)(ii) regarding accounting of shortfall/excess if any, based on the provisional accounts of the CPF, in the absence of the requisite details and information.
 - (b) Note no. 35(d) regarding agreements with the government of Maharashtra in respect of various hydro power generation facilities that are yet to be executed and the consequent disclosures as required under Accounting Standard 19 “Leases” issued under the Companies (Accounting Standards) Rules, 2006 pending execution of the lease.
 - (c) Note no. 35(i) regarding the justification of the company not to recognize any impairment loss on the investment in its subsidiary company, Mahaguj Collieries Ltd.
 - (d) Note no. 35(k) regarding accounting of the increase in value of the net Fixed Assets as on the date of transfer, depreciation on such increased value and consequent increase in equity capital based on the notification dated March 31, 2016 issued by the Government of Maharashtra through First Amendment in “Maharashtra Electricity Reforms Transfer Scheme

2005”.

- (e) In case of Dhopave Coastal Power Ltd, the Company has borrowed loans aggregating to ₹ 8.32 crores from its holding company and sister subsidiary of the holding company, which is substantially higher than its share capital of ₹ 0.05 crores. Attention is invited to Note no. 2.1 of the notes stating that the accounts of the Company has not been prepared on going concern basis, and accordingly provision for losses on account pre-operative expenses has been made in the Books of Accounts.

Our opinion is not qualified in respect of these matters.

Other Matters

7. We did not audit the financial statement of the subsidiaries of the Company, whose financial statement reflect total assets of ₹ 62.91 crores and revenue of ₹ 0.02 crores. The financial statements of these subsidiaries have been audited by other auditors, whose reports have been furnished to us, and our opinion, on the consolidated financial statements, in so far as it relates to amounts and disclosures included in respect of such subsidiaries and our report in terms of Section 143(3) & (11) of the Act, in so far as it relates to subsidiaries, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory 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

8. Based on the comments in the auditor's report of the Holding Company and its Subsidiaries Companies, we report that paragraph on the directions/sub-directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act has been included in respect of the auditor's report of holding Company and its Subsidiary Companies. Accordingly, we give in the **Annexure I**, a Statement on the Directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the Holding Company and its Subsidiary Companies.
9. As required by Section 143 (3) of the Act, we report that:
- We have sought and, *except for the possible effect of the matter described in para 4 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 purpose of our audit;
 - 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 appears from our examination of those books and the reports of the other auditors;
 - The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;
 - Subject to our observations in para 4 above*, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Group 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 financial statements disclosed the impact of pending litigations in the consolidated financial position of the Group. Refer Note 23 to the consolidated 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.

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: 3rd September, 2016

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 8 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2016

- 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: Dhule Thermal Power Co. Ltd.:

No, Company has not been selected for disinvestment.

Subsidiary Company: Mahaguj Collieries Limited:

Not Applicable.

Subsidiary Company: Dhopave Coastal Power 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.2015-16. The Company has received a letter from MSEB Holding Company Ltd (its parent company) to recognize in its books unidentified 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 unidentified 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 unidentified assets / liabilities. Such balances include transfer of capital reserve amounting to ₹ 265 Crore. (Company's share ₹ 66 crores) The Company has not yet recognized these assets / liabilities (net liabilities of ₹ 86crores) and as informed to us by the Management, has sought additional details of the same from the parent company.

Subsidiary Company: Dhule Thermal Power Co. Ltd.:

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

Subsidiary Company: Mahaguj Collieries Limited:

No waiver of loan.

Subsidiary Company: Dhopave Coastal Power Limited:-

Yes, These are write off of Pre-operative Expenses of the Company, incurred for the project during its commissioning stage, and Since Company has already decided to scrap the Project, amount Involved is ₹ 8.29 crore.

- 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: Dhule Thermal Power Co. Ltd.:

Not Applicable.

Subsidiary Company: Mahaguj Collieries Limited:

Not Applicable.

Subsidiary Company: Dhopave Coastal Power Limited:-

Not Applicable.

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

Holding Company: 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 380 pending legal/arbitration cases given below:

Age of Cases	No. of Cases
Less than 1 year	38
1 to 2 Years	58
2 to 3 Years	19
3 to 5 Years	40
More than 5 Years	195
Others unattended	30
Total	380

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: Dhule Thermal Power Co. Ltd.:

Not Applicable.

Subsidiary Company: Mahaguj Collieries Limited:

Age of Cases	No. of Cases
Less than 1 year	1

Subsidiary Company: Dhopave Coastal Power Limited:-

Not Applicable.

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

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

Holding Company: Maharashtra State Power Generation Co. Ltd.

The Company has represented that it has complied with the requirements of various pollution control acts including utilization and disposal of ash during the year 2015-16. However, the above information regarding compliance of various Pollution Control Acts and the impact thereof including utilization and disposal of ash has not been independently verified by us.

Subsidiary Company: Dhule Thermal Power Co. Ltd.:

Not Applicable.

Subsidiary Company: Mahaguj Collieries Limited:

Not Commented by Auditor

Subsidiary Company: Dhopave Coastal Power Limited:-
Not Commented by Auditor

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

Holding Company: Maharashtra State Power Generation Co. Ltd.

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

Subsidiary Company: Dhule Thermal Power Co. Ltd.:

Not Applicable as no generation activity started so far.

Subsidiary Company: Mahaguj Collieries Limited:

Not Commented by Auditor

Subsidiary Company: Dhopave Coastal Power Limited:-

Not Commented by Auditor

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

Holding Company: 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. Company recognizes the liability of coal on the basis of grades mentioned in suppliers' invoice instead of the grade determined by the technical analyst appointed by the MSPGCL. 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. However, such claims have not been recognized by the coal suppliers which results into difference in the outstanding balance with such companies along with other reasons.

Further, during the year, MSPGCL has lodged a claim against coal suppliers, for grade slippage of coal as per agreement amounting to ₹ 803.38 Crores. However, the supplier has claimed an amount of ₹ 50 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 supplier.

Subsidiary Company: Dhule Thermal Power Co. Ltd.:

Not Applicable as no generation activity started so far.

Subsidiary Company: Mahaguj Collieries Limited:

Not Commented by Auditor

Subsidiary Company: Dhopave Coastal Power Limited:-

Not Commented by Auditor

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

Holding Company: 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: Dhule Thermal Power Co. Ltd.:

Not Applicable as no generation activity started so far.

Subsidiary Company: Mahaguj Collieries Limited:
Not Commented by Auditor

Subsidiary Company: Dhopave Coastal Power Limited:-
Not Commented by Auditor

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

Subsidiary Company: Mahaguj Collieries Limited:
Not Commented by Auditor

Subsidiary Company: Dhopave Coastal Power Limited:-
Not Commented by Auditor

- 10) **Does the company have a set of operational norms? Has the management measured its performance against the norms and taken suitable action in case of deviation?**

Holding Company: Maharashtra State Power Generation Co. Ltd.
Not Applicable.

Subsidiary Company: Dhule Thermal Power Co. Ltd.:
Not Applicable

Subsidiary Company: Mahaguj Collieries Limited:
Operation not yet started.

Subsidiary Company: Dhopave Coastal Power Limited:-
Not Applicable

- 11) **Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.**

Holding Company: Maharashtra State Power Generation Co. Ltd.
Not Applicable.

Subsidiary Company: Dhule Thermal Power Co. Ltd.:
Not Applicable

Subsidiary Company: Mahaguj Collieries Limited:
All the required confirmations are obtained.

Subsidiary Company: Dhopave Coastal Power Limited:-
Not Applicable

- 12) **Examine pricing policy framed by the Company to ensure that all cost components are covered.**

Holding Company: Maharashtra State Power Generation Co. Ltd.
Not Applicable.

Subsidiary Company: Dhule Thermal Power Co. Ltd.:
Not Applicable

Subsidiary Company: Mahaguj Collieries Limited:
Not Applicable.

Subsidiary Company: Dhopave Coastal Power Limited:-
Not Applicable

13) Report on the extent of utilization of plant & machinery and its obsolescence, if applicable.

Holding Company: Maharashtra State Power Generation Co. Ltd.
Not Applicable.

Subsidiary Company: Dhule Thermal Power Co. Ltd.:
Not Applicable

Subsidiary Company: Mahaguj Collieries Limited:
Not Applicable.

Subsidiary Company: Dhopave Coastal Power Limited:-
Not Applicable

14) Report the cases of diversion of grants/subsidies received from Central/State Govt. or their agencies for performing certain activities.

Holding Company: Maharashtra State Power Generation Co. Ltd.
Not Applicable.

Subsidiary Company: Dhule Thermal Power Co. Ltd.:
Not Applicable

Subsidiary Company: Mahaguj Collieries Limited:
Not Applicable.

Subsidiary Company: Dhopave Coastal Power 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: 3rd September, 2016

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT REFERRED TO IN PARAGRAPH 9(f) REQUIRED BY SECTION 143(3) OF THE ACT OF OUR REPORT OF EVEN DATE OF CONSOLIDATED FINANCIAL STATEMENT OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED ON MARCH 31, 2016

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

In conjunction with our audit of the consolidated financial statements of the Company for the year ended on March 31, 2016, 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, 2016 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, 2016

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 conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of Internal Financial Controls, both issued by ICAI. 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.

Re :Holding Company:

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Re :Subsidiary Companies:

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

The auditors of subsidiary companies believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for their audit opinion on the Subsidiary Companies' internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

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

**Re : Holding Company:
Disclaimer of Opinion**

According to the information and explanation given to us, the Holding Company has not established its internal financial control over financial reporting on criteria based on or 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. 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 March 31, 2016.

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

Re : Subsidiary Companies:

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.

Opinion

In opinion of auditors of subsidiary companies', the Subsidiary Companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the subsidiary companies 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.

For Borkar & Muzumdar
Chartered Accountants
FRN: 101569W

CA Devang Vaghani
Partner
ICAI M No. 109386

For Ummed Jain & Co
Chartered Accountants
FRN: 119250W

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

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

CA Ashutosh Pednekar
Partner
ICAI M No. 041037

Place: Mumbai

Date: 3rd September, 2016

MAHARASHTRA STATE POWER COMPANY LIMITED [CIN -U40100MH2005SGC153648]

Consolidated Balance Sheet as on 31-03-2016

	Note No.	Consolidated As At 31-03-2016 (Amount in ₹)	Consolidated As At 31-03-2015 (Amount in ₹)
I. EQUITY & LIABILITIES			
(1) Shareholders funds:			
(a) Share Capital	1	240,983,567,880	80,572,845,640
Minority Interest		0	200,000
(b) Reserves and surplus	2	-65,650,285,439	22,148,368,412
(2) Share Application money pending allotment (Refer note 24)		7,559,800,025	9,303,117,897
(3) Non-Current Liabilities			
(a) Long Term borrowings	3	227,787,289,943	246,610,459,278
(b) Deferred tax liability (net)	4	15,242,719,078	14,716,917,044
(c) Other long term liabilities	5	11,264,282,079	21,885,741,182
(d) Long term provisions	6	8,033,662,740	8,384,283,631
(4) Current Liabilities			
(a) Short Term borrowings	3(A)	94,399,618,752	60,390,342,818
(b) Trade Payables	7	13,826,256,854	40,637,307,006
(c) Other Current liabilities	7(A)	68,517,672,826	38,838,011,449
(d) Short Term Provisions	6	2,552,196,242	3,598,603,808
Total		624,516,780,980	547,086,198,164
Non-current Assets			
(a) Fixed assets:			
(i) Tangible Assets (Net Block)	8	276,549,131,935	182,418,154,607
(ii) Intangible Assets	8	161,741,721	161,606,095
(iii) Capital work-in progress (Net)	8(A)	174,429,245,541	205,768,326,574
(b) Non-Current Investments	9	300,000	300,000
(c) Long term loans and advance	10	3,562,540,467	8,948,073,378
Current Assets			
(a) Inventories	11	19,025,102,663	14,231,644,368
(b) Trade Receivables	12	113,430,278,720	106,071,335,924
(c) Cash and cash equivalents	13	1,445,190,271	904,646,839
(d) Short term Loans and advances	10	28,443,448,764	24,586,231,946
(e) Other Current Assets	14	6,925,730,789	3,451,808,321
Miscellaneous expenditure		544,070,111	544,070,112
Total		624,516,780,980	547,086,198,164
See accompanying notes to the financial statements.			

As per our report attached

For Maharashtra State Power Generation Co. Ltd.
For M P Chitale & Co

Chartered Accountants

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

 J.K. Srinivasan
 Director (finance) & CFO
 DIN No. 01220828

 Bipim Shrimali
 Chairman & Managing Director
 DIN No. 03272135

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)
 Place: Mumbai
 Date: 3rd September, 2016

 Pankaj Sharma
 Chief General Manager (A)

 Rahul Dubey
 Company Secretary
 M.No. A14212

MAHARASHTRA STATE POWER COMPANY LIMITED [CIN -U40100MH2005SGC153648]

Profit & Loss Account for the year ended 31st March, 2016

	Note No.	Consolidated As At 31-03-2016 (Amount in ₹)	Consolidated As At 31-03-2015 (Amount in ₹)
I. Revenue from Operations	15	192934227739	189699956877
II. Other income	16	1036541734	2669900986
III. Total Revenue [I+II]		193,970,769,474	192,369,857,862
IV. Expenses			
(a) Cost of Material Consumed	17	113751611829	121822387275
(b) Employee benefit expense	18	12692851975	14161896128
(c) Finance Cost	19	20082077350	19526435700
(d) Depreciation/ Amortisation	8	12757238066	10916695037
(e) Other expenses	20	17410321491	15948002090
(f) Prior Period Items	21	-410481863	-80303807
Total Expenses		176,283,618,849	182,295,112,422
V. Profit before extra ordinary items and tax (III-IV)		17,687,150,625	10,074,745,440
VI. Extraordinary Items	21(a)	105202437430	
VII. Profit before Tax (V-VI)		(87,515,286,806)	10,074,745,440
VIII. Tax Expense			
(a) Current Tax		43878	2424072668
(b) Deferred Tax		525802034	3307740490
IX. Profit / (Loss) for the period		(88,041,132,718)	4,342,932,282
X. Earnings per equity share			
(1) Basic		(9.73)	0.52
(2) Diluted		(9.73)	0.52
See accompanying notes to the financial statements.			

As per our report attached

For Maharashtra State Power Generation Co. Ltd.**For M P Chitale & Co**

Chartered Accountants

(CA Ashutosh Pednekar)
Partner (ICAI M No. 041037)J.K. Srinivasan
Director (finance) & CFO
DIN No. 01220828Bipim Shrimali
Chairman & Managing Director
DIN No. 03272135**For Borkar & Muzumdar**

Chartered Accountants

(CA Devang Vaghani)
Partner (ICAI M No. 109386)Pankaj Sharma
Chief General Manager (A)Rahul Dubey
Company Secretary
M.No. A14212**For Ummed Jain & Co**

Chartered Accountants

(CA U.M. Jain)
Partner (ICAI M No. 070863)
Place: Mumbai
Date: 3rd September, 2016

NOTES TO FINANCIAL STATEMENTS (Consolidated)**1) Significant Accounting Policies and Notes to Accounts forming part of Financial Statements For the year ended 31st March, 2016****a) Basis of preparation of financial statements****i) Maharashtra State Power Generation Company Limited (MSPGCL)**

MSPGCL is a Public Limited Company registered under the provisions of Companies Act, 1956. The Company is governed by the Electricity Act, 2003. The provisions of the Electricity Act, 2003 read with the rules made there under prevails wherever the same are inconsistent with the provisions of Companies Act 2013 to the extent applicable, in terms of section 174 of the Electricity Act, 2003.

Dhopave Coastal Power Limited (DCPL)

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

These financial statements are prepared under the historical cost convention on an accrual basis, to comply, in all material aspects, with all the applicable accounting principles in India, the applicable accounting standards notified u/s 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013.

The Company has a paid up share capital of ₹ 500,000 and a long term borrowings of ₹ 83,268,109 from two subsidiaries companies of an ultimate Holding Company. These funds have mainly been applied for expenses accounted as Capital work in progress. The accounts have not been prepared on a Going Concern basis as holding company Board accorded approval for closure of subsidiary company namely Dhopave Coastal Power Ltd (DCPL) and approached Govt. of Maharashtra (GOM) for approval of closure of DCPL. Consequently company has made provision in the books of Accounts during the year. Upon approval from GOM, provision will be setoff against concerned assets.

The Company has incurred expenses and given advances amounting to ₹ 82,932,212 till March 31, 2016. The arrangement with the two subsidiaries companies of an ultimate Holding Company is that all the expenses are paid by them after taking care of all compliances like-TDS etc.

Mahagenco Ash Management Services Ltd(MAMSL)

Mahagenco Ash Management Services Ltd was incorporated on 24th August 2007. The main object of the company is generation of Electricity. This is the Ninth year of the company.

Mahaguj Collieries Limited (MCL):

The financial statements of the Company have been prepared under historical cost convention on a going concern basis and in accordance with the generally applicable accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013. All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and as per the criteria set out in revised schedules.

The Company has ascertained its operating cycle as 12 months for the purpose of current /non-current classification of assets and liabilities.

The Company generally follows mercantile system of accounting and recognizes significant items of income & expenditure on accrual basis.

The Hon'ble Supreme Court has vide its order dated 25.08.2014 read with Order dated 24.09.2014 cancelled the allocation of all the coal block made by Ministry of Coal, Govt. of India between the period 1993 to 2010 which includes the Machhakata-Mahanadi coal blocks allotted to the Promoters of the Company. The Govt. of India has issued The Coal Mines (Special Provision) Act, 2015 (no. 11 of 2015) with retrospective effect from 21.10.2014 for reallocation process of cancelled coal blocks.

Accordingly, after the reallocation of the said blocks to new allocatee by the Ministry of Coal, Govt. of India, the process for transfer of documents and rights namely the Geological Report, Mining Plan, Mine Closure Plan etc. and payment of compensation to the promoters of Mahaguj Collieries Ltd shall be undertaken as per the compensation that may be decided by the Ministry of Coal, Govt. of India. Thereafter the winding up process of the Company shall be undertaken.

compensation to the promoters of Mahaguj Collieries Ltd shall be undertaken as per the compensation that may be decided by the Ministry of Coal, Govt. of India. Thereafter the winding up process of the Company shall be undertaken.

ii) **Principles of Consolidation**

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

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

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

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

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

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

iii) **Companies included in Consolidation**

The CFS comprise the Audited Financial Statements of MSPGCL and its Subsidiaries for the year ended 31st March, 2016, which are as under;

Name of the Company	MSPGCL Ownership Interest 31.03.2016
Subsidiaries	
Dhopave Coastal Power Limited (DCPL)	100%
Mahaguj Collieries Limited (MCL)	60%
Mahagenco Ash Management Services Ltd (MAMSL)	100%

Minority interest of Mahaguj Collieries Ltd. has been shown as nil being negative interest and adjusted against reserves of the company amounting to ₹ 46.13 Lakhs.

- iv) In case of DCPL, 'the Company has a paid up share capital of Rs. 500,000 and a long term borrowings of ₹ 83,268,109 from two subsidiaries companies of an ultimate Holding Company. These funds have mainly been applied for expenses accounted as Capital work in progress. The accounts have not been prepared on a Going Concern basis as holding company Board accorded approval for closure of subsidiary company namely Dhopave Coastal Power Ltd (DCPL) and approached Govt. of Maharashtra (GOM) for approval of closure of DCPL. Consequently company has made provision in the books of Accounts during the year. Upon approval from GOM, provision will be set-off against concerned assets.

b) **Use of Estimates**

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

c) Tangible Fixed Assets

- (i) Fixed assets of the Company are recorded in the books of accounts at historical cost. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and provision for obsolescence/ impairment, if any. Government of Maharashtra issued “Maharashtra Electricity Reforms Transfer (First Amendment) Scheme, 2016” vide its notification dated 31.03.2016. As per Clause 3 of the said order, “Maharashtra Electricity Reforms Transfer Scheme, 2005” is amended and clause 10A is inserted in respect of Asset Valuation. As per this clause 10A “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”. Accordingly, the Company has inflated the gross value of Fixed Assets by the amount of increase in Net Fixed Assets as at 01-04-2015 over Net Fixed Assets as at 05-06-2005 as given in respective head of assets in the said notification.
- (ii) Cost of acquisition is inclusive of freight, duties & taxes (other than those subsequently recoverable from taxing authorities), levies, borrowing costs and all incidentals attributable to bring the asset ready for intended use.
- (iii) Capital Expenditure incurred by the Company, resulting in creation of fixed assets for which Company does not have ownership rights, is reflected as a part of capital work in progress till the assets are under construction and thereafter in the fixed assets schedule under the head “Capital Expenditure resulting in Assets not belonging to the Company” Revenue expenditure incurred for contribution towards cost of assets not owned by the company and corporate social responsibility activities are charged off to Statement of Profit and Loss.
- (iv) In case of Capital Work in Progress where the final settlement of bills with the contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- (v) Claims for price variation in case of capital contracts are accounted for, on acceptance thereof by the Company.
- (vi) The costs incurred on identification, survey and feasibility studies of a project under sanction is covered under capital work in progress till the event of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to revenue in the year of its rejection.
- (vii) Fixed assets are shown in the books of account net of any government grants received in respect of those fixed assets.
- (viii) Fixed Assets costing individually up to ` 5,000/- and mobile phones are depreciated fully in the year of purchase.
- (ix) Assets retired from active use and held for sale are valued at Net Book Value or Net Realisable Value whichever is lower and disclosed as other current assets.
- (x) In case of DCPL, Fixed assets are stated at cost of acquisition less depreciation. Attributable expenses of bringing the respective assets to working condition for their intended use are capitalized.
- (xi) In case of MCL, Fixed assets are stated at cost of acquisition less depreciation. Attributable expenses of bringing the respective assets to working condition for their intended use are capitalized.

Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rates and in the manner specified under the Companies Act '2013.

Depreciation on addition/deletion of assets during the year is calculated on pro rata basis with reference to the date of such addition/deletion.

(xii) Intangible Assets -

Intangible Assets are capitalized at cost less accumulated amortization and impairment losses, if it is probable that the future economic benefits that are attributable to the assets will flow to the Company.

Capital Work-in-progress

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

- (xiv) 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.
- (xv) The costs incurred and revenue generated during the trial runs stage of the Project / Power Station are adjusted during capitalization.

d) Borrowing Cost

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

In case of MCL, all the borrowing are in the form of unsecured loans from holding Companies only which incurs no interest cost hence no borrowing costs are recognized in the year.

e) Impairment of Assets

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

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

f) Critical/ Insurance Machinery Spares

- (i) Machinery spares procured along with the Plant & Machinery, whose use is expected to be irregular are capitalized separately, if cost of such spares is known and if cost of such spares is not known, these are capitalized along with concerned plant.
- (ii) Machinery spares procured subsequently are also capitalized in the year of purchase.
- (iii) Machinery spares are depreciated fully over the remaining useful life of the related plant and machinery.
- (iv) Written Down Value of old Machinery Spares is charged to revenue in the year in which such spares are replaced and the old relevant spares are found to be of no further use. However, if the old relevant spares can be repaired and reused, then both are continued to be depreciated over the remaining useful life of the relevant asset. The repair charges of the old relevant spares are charged to Statement of Profit and Loss.
- (v) In case of replacement of part of asset / replacement of capital spare where Written Down value of such original part of asset / capital spare is not known, the cost/ net book value of the new part of asset / new capital spare shall be written off.

Machinery Spares (Other than Critical/ Insurance Machinery Spares)

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

g) Depreciation /Amortization

(i) Tangible Fixed Assets:

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

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

Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised useful life determined by technical assessment.

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

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

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

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

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

In case of DCPL, Depreciation on addition/deletion of assets during the year is calculated on pro rata basis with reference to the date of such addition/deletion. Further, in case of DCPL, Depreciation for Equipment, Furniture & fixture & Office is provided using Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher & Depreciation for Plant & Machinery is provided using Straight Line Method as per the useful life of the assets estimated by the management, or at the rates prescribed in Appendix II to the Central Electricity Regulatory Commission Rules & Regulation, 2004.

In case of MCL, Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rates and in the manner specified under the Companies Act '2013.

- (iv) Intangible Assets:

Expenses capitalized on account of purchase of new application software, implementation of the said software by external third party consultants and purchase of licenses are amortized over their estimated useful lives not exceeding ten years. Other intangible assets are amortized over the period for which benefits are estimated to generate sufficient economic benefits.

h) Inventories

Stock of materials including stores, spare parts is valued at lower of cost or net realizable value, and cost is determined on weighted average cost method. Cost comprises of cost of purchase (net of VAT refund receivable) and other costs incurred in bringing them to their present location and condition. Steel scrap and coal mill reject, not being part of inventory, are not recognized in Books of Accounts as an inventory item.

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

I) Revenue Recognition

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

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

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

In case of DCPL, Interest income is recognized using time-proportion method, based on interest rates implicit in the transaction.

In case of MAMSL, Interest is recognized on time proportion basis taking in to account the amount outstanding and the rate applicable. The company follows accrual system of accounting.

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

j) Investments

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

In case of MAMSL, Long term investments are valued at cost, with an appropriate provision for diminution in value other than temporary, in which case, the carrying value is reduced to recognize the decline. Short term investments are valued at the lower of cost and quoted/fair value, determined by category of investment.

k) Foreign Currency transactions

A foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency prevailing on the date of the transaction.

At the Balance Sheet date, foreign currency monetary items are reported using the closing rate. Gain or loss, if any, is recognized in the Statement of Profit and Loss for the year.

The gain or loss arising on account of exchange rate differences between the payment date and transaction date/ previously converted value is charged to the Statement of Profit and Loss.

l) Employee Benefits

(i) Short Term Employee Benefits

The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as liability (accrued expense).

(ii) Post-employment benefits

Defined Benefit Plan

Gratuity and Leave encashment

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

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

Provident Fund Benefit

Company pays fixed contribution to Provident Fund at predetermined rates along with employee's contribution to a separate trust which also manages funds of other group companies. The funds are then invested in permitted securities. The contribution

to the fund for the period is recognized as expense and is charged to the Statement of Profit and Loss.

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

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

m) Leases

Finance Lease

Assets acquired as Finance leases, where the Company has substantially all the risks and rewards of ownership, such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period. The lease agreement in respect of hydro power generation facilities has not been entered into with Government of Maharashtra.

Operating Lease

Assets taken on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expense on straight line basis.

n) Taxation

(i) Income Tax

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

(ii) Deferred Tax

Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, subject to consideration of prudence by applying the tax rate and laws enacted or substantially enacted by Balance Sheet date as per the Accounting Standard – 22 “Accounting for tax on Income”.

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

In case of DCPL, Provision for tax is made on the basis of taxable income of the current accounting period in accordance with the provisions of Income Tax Act, 1961.

In case of MAMSL, Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount to be paid to the tax authorities in accordance with the Indian Income Tax Laws. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

In case of MCL, Provision for tax is made for both Current & Deferred Taxes. Current Tax is provided on the taxable income using the applicable current tax rates and tax laws.

Deferred tax is recognized, subject to consideration of prudence, on timing differences between taxable and accounting income/expenditure that originated in one period and are capable of reversal in one or more subsequent period(s).

Deferred Tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

o) Prior Period Items and Extra-Ordinary Items/Exceptional items

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

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are

classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves the understanding of the performance of the company. Such income or expense is classified as exceptional item and accordingly disclosed in notes to accounts.

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

p) Provisions, Contingent Liabilities, Contingent Assets & Deferred Revenue expenditure:-

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are disclosed in cases where they are in excess of ₹ 10 lakhs individually in value. Financial effect of contingent liabilities is disclosed based on information available up to the date on which financial statements are approved. Contingent assets are not recognized in the financial statements.

DCPL:

Provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

'Contingent liabilities are disclosed by way of note to the financial statements after careful evaluation by management of the facts and legal aspects of the matter involved. As a prudent accounting policy, Contingent Assets are neither recognized nor disclosed.

MCL:

In case of MCL, provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Claims / receipts and refunds whose recovery cannot be ascertained with reasonable certainty are accounted for on acceptance/ actual receipt basis. Also, the Company has to amortize Preliminary Expenses over the period of Five years.

q) Government Grant Policy:-

Government grants related to specific fixed asset are deducted from gross value of such fixed asset. Government grants related to revenue is accounted for on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related cost which they are intended to compensate.

r) Cash flow statement

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

s) Earning Per Share (EPS)

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

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

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

Note no. 1
SHARE CAPITAL
i) Authorised Capital

Class of Share	Par value ₹	As at 31-03-2016		As at 31-3-2015	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
M.S.P.G.C.Ltd. Equity Shares	10	25,000,000,000	250,000,000,000	25,000,000,000	250,000,000,000
Dhule Thermal Power Company Ltd.	10	50,000	500,000	50,000	500,000
Dhopave Coastal Power Company Ltd.	10	50,000	500,000	50,000	500,000
MahaGuj Colieries Ltd	10	50,000	500,000	50,000	500,000

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

Class of Share	Par value ₹	As at 31-03-2016		As at 31-3-2015	
		No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Equity Shares	10	24,098,376,788	240,983,767,880	8,057,304,564	80,573,045,640

iii) Reconciliation of Number of Shares Outstanding

Class of Share	As at 31-03-2016 Equity Shares		As at 31-3-2015 Equity Shares	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Outstanding at the beginning of the year	8,057,304,564	80,573,045,640	6,808,390,164	68,083,901,640
Addition during the period	16,041,072,224	160,410,722,240	1,248,914,400	12,489,144,000
Outstanding at the end of the year	24,098,376,788	240,983,767,880	8,057,304,564	80,573,045,640

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

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

- (4) In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder

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

Name of Shareholder	As at 31-03-2016	As at 31-3-2015
	Equity Shares	Equity Shares
MSEB Holding Company Ltd. (Nos.)	24,098,306,788	8,057,234,564
MSEB Holding Company Ltd. (Amount in ₹)	240,983,067,880	80,572,345,640
Gujrat State Electricity Corporation Ltd (No.)	20,000	20,000
Gujrat State Electricity Corporation Ltd (Amount in ₹)	200,000	200,000

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

Name of Shareholder	As at 31-03-2016		As at 31-3-2015	
	Equity Shares	% of Shares	Equity Shares	% of Shares
MSEB Holding Company Ltd.	24,098,306,788	99.99	8,057,234,564	99.99
Gujrat State Electricity Corporation Ltd	20,000	40.00	20,000	40.00

Note No.2

(Amount in ₹)

Reserves & Surplus	Consolidated As at 31-03-2016	Consolidated As at 31-3-2015
Surplus as per Statement of Profit & Loss		
Balance at the beginning of the year	22,072,086,613	17,714,312,171
Add:-Profit transferred from Statement of Profit & Loss	(87,978,041,910)	4,357,774,442
Closing Balance	(65,605,955,297)	22,072,086,613
Fly Ash Utilisation Fund at beginning of the year (refer note no. 22)	-	-
Additions during the year	268,165,743	303,837,673
Utilisation during the year	(268,165,743)	(303,837,673)
Closing Balance of Fly Ash Utilisation Fund	-	-
Capital Grant Reserve	255,469,858	76,281,799
Total Reserves & Surplus	(65,650,485,439)	22,148,368,412

Note No.3

(Amount in ₹)

Consolidated Long-term Borrowings	Long term borrowings	Current Maturities of Long terms Borrowings
Particulars	As at 31-03-2016	As at 31-03-2016
Secured Loan		
Term Loan		
From Financial Institutions		
Power Finance Corporation	118,490,291,914	5,173,228,202

Rural Electrification Corporation	98,145,652,812	4,309,916,000
Loan from Housing Urban Development Corporation	75,891,935	30,020,000
Loan from IREDA	-	
From Banks		
Term Loans	787,198,299	20,263,470,000
	217,499,034,960	29,776,634,202
Unsecured Loan		
Term Loan		
From Financial Institution		
Power Finance Corporation	4,069,355	464,757,046
From Others		
KFW 150 MW Solar (Refer Note 38(h))	7,003,825,464	1,740,000,000
Loan from World bank	984,538,835	27,400,000
Government of Maharashtra	451,142	41,700
MSPGC Ltd.	2,053,187,161	42,996,000
GSEC Ltd.	221,505,726	-
MSEDC Ltd.	20,677,300	-
	10,288,254,983	2,275,194,746
Total	227,787,289,943	32,051,828,948
Less : Transferred to Other Current Liabilities (Note No.7)	-	(32,051,828,948)

Note No. 3 (A)

(Amount in ₹)

Consolidated Short Term Borrowing	As at 31-03-2016	As at 31-03-2015
Loan repayable on Demand (Secured)		
From Banks		
Cash Credit	47,462,546,062	50,390,342,818
	47,462,546,062	50,390,342,818
Loan repayable on Demand (Unsecured)		
From Banks		
Working Capital loan from Banks	8,690,017,377	9,490,891,269
Other Short Term Loan from Banks	38,247,055,314	509,108,731
	46,937,072,691	10,000,000,000
Total	94,399,618,752	60,390,342,818

(Refer note 25(B) Annexure ' B' for disclosure of terms & conditions and Securities)

Note No. 4

(Amount in ₹)

Deferred Tax	Opening Balance As on 31-03-2015	Debit/Credit during year	Closing Balance As on 31-03-2016
Deferred Tax Liability (A)			
Difference of WDV as per Books and Income Tax	24,969,437,068	4,475,248,720	29,444,685,788
Deferred Tax Asset (B)			
Disallowance u/s 43B of Income Tax Act, 1961	3,500,985,153	45,093,510	3,546,078,663
Disallowance u/s 40(a)(7) of Income Tax Act, 1961	1,768,908,684	(102,338,154)	1,666,570,530
Unabsorbed Depreciation loss carried forward	4,982,626,182	4,006,691,330	8,989,317,512
Total	10,252,520,024	3,949,446,686	14,201,966,705
Net Deferred Tax Liability (A-B)	14,716,917,044	525,802,034	15,242,719,083

Note No. 5

(Amount in ₹)

Other Long Term Liabilities	Consolidated As at 31-03-2016	Consolidated As at 31-03-2015
(ii) Deposits & Retentions	10,966,693,078	20,873,407,846
(iii) Other liabilities	108,585,915	145,539,637
(iv) Liabilities for Related Parties	189,003,086	866,793,699
Total	11,264,282,079	21,885,741,182

Note No. 6

(Amt in ₹)

Provisions	Consolidated		Consolidated	
	Long term	Short term	Long term	Short term
	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015	As at 31-03-2015
Provision for Employee benefits				
Provision for gratuity (Refer 35 (a)(ii))	3,831,334,248	1,071,785,877	4,130,655,267	1,073,547,882
Provision for Leave encashment (Refer 35(a)(ii))	4,202,328,492	1,480,396,034	4,253,628,364	1,305,168,992
Other Provisions	-	-	-	-
Provision for Income Tax	-	14,331	-	2,424,013,841
Less: Taxes paid in Advance (including TDS)	-	-	-	1,204,300,000
	-	14,331	-	1,219,713,841
Provision for Wealth Tax	-	-	-	173,093
Total	8,033,662,740	2,552,196,242	8,384,283,631	3,598,603,808

Note No. 7

(Amt in ₹)

Trade Payables	Consolidated As at 31-03-2016	Consolidated As at 31-03-2015
Payables to MSME	75,72,894	7,690,256
Payables to Other than MSME	13,818,683,960	40,629,616,750
Total	13,826,256,854	40,637,307,006

Note No. 7 (A)

(Amt in ₹)

Other Current Liabilities	Consolidated As at 31-03-2016	Consolidated As at 31-03-2015
Current Maturities of Long Term Debt (Note no. 3 & Annexure thereto)	32,051,828,948	9,157,863,505
Interest accrued but not due on borrowings	3,274,489,582	5,174,601,989
Other Payables -	-	-
I) Deposits & Retentions	26,265,451,262	8,577,375,219
ii) Payables for capital goods	980,433,559	5,307,278,970
iii) Other Liabilities	998,970,936	4,644,088,472
iv) Liabilities for Related Parties	4,946,498,540	5,976,803,293
Total	68,517,672,826	38,838,011,449

Note No. 8A
Consolidated Capital Work-in-Progress

(Amt in ₹)

Particulars	As at 01.04.2015	Addition as during the year	Transfer during the year	Total WIP as at 31.03.2016
Freehold land	99,857,027	48,217,833	-	148,074,860
Civil Work	35,746,644,128	5,591,042,505	(14,699,802,698)	26,637,883,934
Other Buildings	183,330,135	2,012,326	(176,816,658)	8,525,803
Plant & Machinery	169,881,673,247	19,182,523,719	(41,286,258,059)	147,777,938,906
Less: Provision for obsolescence	(143,177,963)	-	-	(143,177,963)
Total	205,768,326,574	24,823,796,382	(56,162,877,416)	174,429,245,541

Note No. 8 CONSOLIDATED

Assets	Gross Block (At cost)			Depreciation			Net Block							
	As at 01.04.2015	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2016	As at 01.04.2015	Depreciation for the year	Prior Period Depreciation	Deductions / Adjustments	As at 31.03.2016	As at 31.03.2015	Provision for obsolescence 31-03-2015	Provision for obsolescence 31-03-2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets														
Land (including development)														
Freehold	2,478,287,936	13,212,418,004	-	15,690,705,940	-	-	-	-	-	-	-	-	15,690,705,940	2,478,287,936
Leasehold	551,555,769	758,621,666	-	1,310,177,435	96,844,368	196,025,614	-	-	292,869,982	-	-	-	1,017,307,453	454,711,401
Buildings														
Factory Buildings	9,687,887,481	9,060,645,557	164,876,602	18,583,656,436	5,085,835,037	7,027,250,471	-	33,327,895	12,079,757,613	3,969,446	3,969,446	3,969,446	6,499,929,377	4,598,082,998
Others	6,090,136,709	5,732,029,886	230,317,402	11,591,849,193	1,606,061,256	1,770,010,948	(6,374,763)	149,366	3,369,548,075	-	-	-	8,222,301,118	4,484,075,453
Hydraulic Works	20,539,481,783	8,270,118,404	694,508,642	28,115,091,545	8,503,565,060	3,776,156,442	(1,188,472)	12,853,493	12,265,679,537	2,993,713	2,993,713	2,993,713	15,846,418,295	12,032,923,010
Other Civil Works														
Railway Sidings	7,117,123,715	8,081,820,266	3,145,639,666	12,053,304,315	1,589,897,682	2,307,150,989	(2,970,424)	-	3,894,078,247	-	-	-	8,159,226,069	5,527,226,033
Roads and Others	9,362,534,163	2,090,006,496	18,607,714	11,433,932,945	3,409,753,126	503,568,849	-	-	3,913,321,975	2,774,706	2,774,706	2,774,706	7,517,836,264	5,950,006,331
Plant, Machinery & Equipments	228,266,231,342	163,211,380,408	11,428,932,881	380,048,678,868	84,149,144,684	89,495,947,458	(76,798,484)	4,208,214,300	169,360,079,358	226,606,923	317,560	210,461,992,587	144,116,769,098	
Lines & Cable Networks	3,433,702,607	2,643,609,731	570,552,454	5,506,759,884	1,559,995,638	1,664,189,190	-	515,391	3,223,669,436	67,862,369	67,862,369	67,862,369	2,215,228,079	1,805,844,600
Furniture & Fixtures	379,930,381	10,585,745	890,912	389,625,214	178,449,250	16,412,996	73,661	-	194,935,907	30,181	30,181	30,181	94,659,126	201,450,950
Vehicles	178,797,638	53,985,262	7,729,610	225,053,290	140,047,902	39,910,040	1,575	2,013,514	177,946,003	1,147,470	1,147,470	1,147,470	45,959,817	37,602,266
Office Equipments	345,625,356	(2,613,892)	(56,268)	343,067,732	199,975,543	13,963,553	2,456	-	213,941,551	128,543	128,543	128,543	128,997,638	145,521,270
Assets not owned by the company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure resulting in Assets not belonging to the Company	883,047,359	11,345,647	-	894,393,006	296,938,413	48,428,735	-	-	345,367,148	455,686	455,686	455,686	548,570,172	585,653,260
Less:- Capitalised						(17,854,208)								
Total Tangible Assets	289,314,342,239	213,133,953,180	16,261,999,615	486,186,295,804	106,816,507,958	106,841,161,075	(87,254,451)	4,258,707,959	209,331,194,832	305,969,037	79,679,674	305,969,037	276,549,131,935	182,418,154,607
Intangible Assets														
Right to receive water	9,987,907	-	-	9,987,907	9,987,907	-	-	-	9,987,907	-	-	-	-	-
Software Licences	312,370,268	29,916,385	3,152,887	339,133,766	150,764,173	29,780,759	-	3,152,887	177,392,045	-	-	-	161,741,721	161,606,095
Total Intangible Assets	322,358,175	29,916,385	3,152,887	349,121,673	160,752,080	29,780,759	-	3,152,887	187,379,952	-	-	-	161,741,721	161,606,095

Note No. 9

(Amt in ₹)

Non-Current Investments (valued at cost less diminution other than temporary) Consolidated		
	As at 31-03-2016	As at 31-03-2015
Trade Investments (Unquoted)		
Investment in Equity Shares		
In Subsidiary Companies		
50,000 (PY 50,000) Equity shares of "Dhule Thermal Power Company Limited" of ₹10/- each fully paid-up	-	-
50,000 (PY 50,000) Equity shares of "Dhopave Coastal Power Company Limited" of ₹10/- each fully paid-up	-	-
30,000 (PY 30,000) equity shares of UCM Coal Co. Ltd. Of ₹10/- each fully paid up	300,000	300,000
25,00,000 (PY 25,00,000) equity shares of Latur Power Company Ltd. Of ₹ 10/- each fully paid up	-	-
30,000 (PY 30,000) Equity shares of "Mahaguj Colliery Limited" of ₹10/- each fully paid-up	-	-
Total	300,000	300,000

Note no. 10

(Amt in ₹)

Loans & Advances	Consolidated As on 31.03.2016		Consolidated as on 31.03.2015	
	Long Term	Short Term	Long Term	Short Term
Capital Advances				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	1,329,266,962	-	7,198,270,033	-
Doubtful	-	-	-	-
	1,329,266,962	-	7,198,270,033	-
Security Deposits				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	816,736,582	-	879,927,406
Doubtful	3,259,976	-	3,259,976	-
	3,259,976	816,736,582	3,259,976	879,927,406
Less:- Provision for Doubtful Debts	3,259,976	-	3,259,976	-
	-	816,736,582	-	879,927,406
Related Parties				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	3,499,363,712	-	635,012,207
Doubtful	65,303,606	-	2,712,798	-
	65,303,606	3,499,363,712	2,712,798	635,012,207
Less:- Provision for Doubtful Debts	65,303,606	-	2,712,798	-
	-	3,499,363,712	-	635,012,207
Others				
Advances recoverable in cash or in kind or for value to be received				

Secured, Considered good	-	-	-	-
Unsecured, Considered good	551,500	417,756,091	28,069,396	782,993,966
Doubtful	1,688,423,991	-	1,913,921,343	-
	1,688,975,419	417,756,091	1,914,990,739	782,993,966
Less:- Provision for Doubtful Debts	1,688,423,991	-	1,913,921,343	-
	551,500	417,756,091	28,069,396	782,993,966
Advances for O & M supplies / works				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	8,559,364,656	-	4,869,032,559
Doubtful	470,214,015	-	9,995,428	-
	470,214,015	8,559,364,656	9,995,428	4,869,032,559
Less:- Provision for Doubtful Debts	470,214,015	-	9,995,428	-
	-	8,559,364,656	-	4,869,032,559
Advances for coal / fuel supplies				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	7,608,803,861	-	11,861,505,038
Doubtful	-	-	-	-
	-	7,608,803,861	-	11,861,505,038
Advances to staff				
Secured, Considered good	-	439,811	-	540,889
Unsecured, Considered good	145,738,659	287,386,158	185,628,186	452,351,652
Doubtful	-	-	-	-
	145,738,659	287,825,969	185,628,186	452,892,541
Balance recoverable from statutory authorities				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	645,539,441	-	5,248,862
Doubtful	1,570,574	-	-	-
	1,570,574	645,539,441	-	5,248,862
	1,570,574	-	-	-
	-	645,539,441	-	5,248,862
Prepaid expenses				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	-	320,231,861	-	55,987,655
Doubtful	-	-	-	-
	-	320,231,861	-	55,987,655
Claims receivable and other current assets				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	31,237,646	6,287,826,592	51,092,172	5,043,631,714
Doubtful	3,546,706	-	3,546,706	-
	34,784,352	6,287,826,592	54,638,878	5,043,631,714
Less:- Provision for Doubtful Debts	3,546,706	-	3,546,706	-
	31,237,646	6,287,826,592	51,092,172	5,043,631,714
Advance Tax Paid	11,484,196,117	-	8,513,755,247	-
Less:- Provision for income Tax	(9,428,450,417)	-	(7,028,741,656)	-
	2,055,745,700	-	1,485,013,591	-
Net Total	3,562,540,467	28,443,448,764	8,948,073,378	24,586,231,946

Note No. 11

(Amt in ₹)

Inventories	Consolidated	Consolidated
	As at 31-03-2016	As at 31-03-2015
Raw Material -		
Coal	10,234,557,331	2,747,815,170
Add:- Coal in Transit	518,196,190	481,841,852
Oil	1,844,512,475	1,686,006,394
Stores and spares	8,945,004,845	11,692,113,062
Less:- Provision for loss on obsolescence of stores	2,517,168,177	2,376,132,111
Net Total	19,025,102,663	14,231,644,368

Note No. 12

(Amt in ₹)

Trade Receivable	Consolidated		Consolidated	
	As at 31-03-2016		As at 31-03-2015	
	Long term	Short term	Long term	Short term
Outstanding or more than six months from due date				
Secured, Considered good	-	-	-	-
Unsecured Considered good	-	7,973,647,143	-	11,033,933,410
Doubtful	-	7,973,647,143	-	11,033,933,410
	-		-	
	-	7,973,647,143	-	11,033,933,410
Others	-	-	-	-
Secured, Considered good	-	-	-	-
Unsecured Considered good	-	105,456,631,577	-	95,037,402,514
Doubtful	-	-	-	-
	-	105,456,631,577	-	95,037,402,514
Total	-	113,430,278,720	-	106,071,335,924

Note No. 13

(Amt in ₹)

Cash and Cash Equivalents	Consolidated	Consolidated
	As at 31-03-2016	As at 31-03-2015
1)Balances with banks	1,444,659,682	904,001,344
2)cash on hand	530,589	645,495
Total	1,445,190,271	904,646,839

Note No. 14

(Amt in ₹)

Other Current Assets	Consolidated	Consolidated
	As at 31-03-2016	As at 31-03-2015
Assets held for Sale	1,341,666,870	464,644,371
Unbilled Revenue	5,584,030,010	2,986,860,481
Provision for Income Tax	-	(12,646)
Less: Taxes paid in advance (including TDS)	33,908	316,115
Net Advance Tax	33,908	303,469
Total	6,925,730,789	3,451,808,321

Note No. 14 A

(Amt in ₹)

Other Non Current Assets	Consolidated	Consolidated
	As at 31-03-2016	As at 31-03-2015
Miscellaneous Expenditure	544,070,111	544070111
Total	544,070,111	544070111

Note No. 15

(Amt in ₹)

Revenue from Operations	Consolidated	Consolidated
	2015-16	2014-15
Operating Revenue -		
Revenue from sale of power	182,367,791,338	179,162,059,932
Less:- Electricity duty recovery	11,160,578	14,206,773
Less:-Tax on sale of electricity recovery	415,896	667,660
Revenue from sale of power	182,356,214,864	179,147,185,499
Revenue Subsidy	16,423,680	16,728,240
Total	182,372,638,544	179,163,913,739
Other Operating Revenue-		
Surcharge Income from consumers	10,392,609,828	10,510,435,446
Sale of Mill Reject Coal	168,979,367	25,607,692
Sale of Fly Ash	268,165,743	303,837,673
Less:- Transferred to Fly Ash Utilisation Fund	(268,165,743)	(303,837,673)
Total	10,561,589,195	10,536,043,138
TOTAL REVENUE FROM OPERATIONS	192,934,227,739	189,699,956,877

Note No. 16

(Amt in ₹)

Other Income (Consolidated)	2015-16	2014-2015
Interest income	2,447,386	4,542,510
Other Non-Operating Income	-	-
Income from rent, hire charges etc.	64,263,157	32,994,718
Profit on sale of assets/stores/scrap	111,976,234	306,792,677
Sale of tender forms	28,632,963	27,206,357
Sundry Credit balance write back	224,281,924	180,017,119
Other receipts	604,940,071	257,466,558
Gain on Foreign Exchange Variation (Net)	-	1860881047
Total	1,036,541,734	2,669,900,986

Note No. 17

(Amt in ₹)

Cost of Material Consumed (Consolidated)	2015-16	2014-2015
Coal	104,647,431,518	107,204,249,783
Gas	7,475,210,888	9,750,217,959
Oil	1,179,426,398	3,325,101,196
Water	449,543,025	1,542,818,337
Total	113,751,611,829	121,822,387,275

Note No. 18

(Amt in ₹)

Employee Benefit Expenses (Consolidated)	2015-16	2014-2015
Salaries, allowances, Bonus etc.	9,451,419,586	7,686,381,665
Contribution to Provident Funds	974,028,461	879,451,702
Staff welfare expenses	294,202,086	138,591,928
Other staff costs	192,145,126	139,790,030
Leave encashment scheme	674,467,650	3,158,390,745
Gratuity	1,106,589,067	2,159,290,057
Provision for Shortfall in Plan assets	-	-
†Total	12,692,851,975	14,161,893,128

Note No. 19

(Amt in ₹)

Finance cost (Consolidated)	2015-16	2014-2015
Interest on	-	-
State Government loans	19,601,716	56,300,000
Other loans	16,200,786,875	15,498,133,674
Borrowing for working capital	3,181,223,103	3,845,441,207
Other Borrowing Cost	-	-
Government guarantee fees/charges	22,747,282	60,110,070
Fees and other charges	20,781,373	66,450,749
Total	20,082,077,350	19,526,435,700

Note No. 20

(Amt in ₹)

Other expenses (Consolidated)	2015 - 16	2014 - 2015
Rent	153,820,624	150,593,449
Lease rent	5,378,300,000	5,482,300,000
Repairs and Maintenance	-	-
Plant & machinery	7,475,607,141	7,391,697,033
Ash Handling Expenses	326,294,119	431,272,356
Repairs & Maintenance – Other	6,394,259	4,426,124
Insurance charges	113,971,759	118,490,120
Rates & Taxes	210,407,849	190,807,140
Others -	-	-
Lubricants, consumable stores and station supplies	578,496,988	852,848,984
Water charges	1,179,305	10,377,488
Legal and professional charges	80,795,322	68,464,135
Auditor's remuneration(Refer note 26)	6,928,226	6,806,872
Commission to agents	230,895,053	84,970,566
Other Bank Charges	32,165,318	90,597,999
Contribution to towards assets not owned by	-	-
Company / CSR expenditure	62,016,396	130,714,908
Provision for doubtful advances	563,718,804	128,914,439
Other general expenses	1,154,383,078	1,083,372,100
Loss on fixed assets sold / scrapped	-	-
Loss on obsolescence of fixed assets	364,960,930,	25,186,050
Loss on foreign exchange variance (Net)	938,152,064	-
Total	17,678,487,234	16,251,839,763
Expenses transferred to fly Ash utilization fund	268,165,743	303,837,673
Net Total	17,410,321,491	15,948,002,090

Note No. 21

(Amt in ₹)

Prior period (credits) Charges /(net) Consolidated	2015-16	2014-2015
Income	-	-
Other income	(895,391,321)	(118,052,150)
Other excess provisions in prior periods	-	-
Coal /Gas Related Gain	-	-
(Excess)s/ short provision for depreciation	(87,254,451)	(10,821,791)
Receipts from consumers	-	-
Sub Total	(982,645,772)	(128,873,941)
Expenses	-	-
Fuel related (gains) / losses	-	-
Net Interest and finance charges	-	-
Operating expenses	572,163,909	48,570,134
Employee costs	-	-
Excess in billing of earlier years	-	-
Material related expenses	-	-
Sub Total	572,163,909	48,570,134
Total	(410,481,863)	(80,303,807)

Note No. 21(a)

(Amount in ₹)

Extra ordinary items	2015-16	2014-15
Extra ordinary Depreciation	94,113,703,768	-
Extra ordinary write off	11,088,733,662	-
Total	105,202,437,430	-
(Refer note 35(k))		

21(b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 7,394,516,906 (Previous Year ₹ 17,631,127,762).

In case of DCPL, as on March 31, 2015 the Company has paid an advance of ₹ 70,000,000 being 25 % towards acquisition on land & would pay the balance 75% amounting to ₹ 210,000,000 in the future.

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

21(c) Other Significant Commitments

- Company has entered into Power Purchase Agreement with MSEDCL for Sale of power generated by the company & this agreement remains operative for the period of twenty-five years unless extended or terminated earlier.
- Agreement / Order has been made / placed with M/s. Ultra Tech cement Ltd. for Sale/ Disposal of fly ash on long term for 15 years basis ending in FY 2023-24.
- Coal linkage of 46.328 Million MT per annum has been allocated to company, consequently company is committed to purchase coal from allocated coal companies at the relevant market price. The Fuel supply agreement of coal is valid

upto year 2029.

- (d) Company has gas purchase and transportation agreement with Gas Authority of India Ltd. towards 3.5 MMSCMD upto 05.07.2021.

22) Fly Ash Utilisation Fund

The income from sale of fly ash is being accumulated in a separate fund and amount spent on expenditure incurred for promotion of fly ash utilisation is reduced therefrom to the extent of accumulation and the excess if any is recognised as expense in the Statement of Profit and Loss. Such presentation and disclosure does not have any net impact on the profit or loss for the year. This presentation and disclosure is in accordance with the guidelines issued by MOE&F dated 03-11-2009. Accordingly, sale of fly ash of ₹ 268,165,743(PY ₹ 303,837,672) and equivalent expenses are reduced therefrom as disclosed in note no. 2(A).

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

(Amt in ₹)

Sr No.	Particulars	2015-16	2014-15
(a)	Bank Guarantee issued by Bankers of company in favour of Third Parties	32,118,321	32,118,321
(b)	Bank Guarantee / Letter of Credit issued by Bankers of company	7,407,724,160	4,188,699,422
(c)	Claims against company not acknowledged as debts	12,188,061,991	12,698,814,306
(d)	Disputed Duties / Tax Demands	1,121,090,337	1,110,421,482

In case of MCL, during the year M/s. AMPL had claimed compensation of ₹ 317.39 Crores for expenditure made in development of Machhakata coal blocks due to cancellation of coal block allocation by the Hon'ble Supreme Court of India. The claim being outside the scope & terms of CMSA and as the Company neither received any benefit out of such expenditure; the Company had refused this claim. Thus Claims against the Company not acknowledged as debt amounted to approximately ₹ 317.39 Crores. (P. Y. ₹ 317.39 Crores).

24) Share Capital

Share Application Money Pending Allotment

Opening Equity Capital–

Pursuant to the transfer scheme of the erstwhile MSEB framed for the purpose of restructure of the electricity board, an amount of ₹ 25,633,633,537 has been allocated to the Company as equity share capital. As per the scheme, the Company is required to issue equity shares of the said amount to MSEB Holding Company Limited. Accordingly Shares amounting to ₹ 25,000,000,000 have been allotted to MSEB Holding Co. Ltd. during the year 2008-09 and ₹ 633,633,537 were shown under 'Share Application Money Pending Allotment' until previous year and during current year same has been allotted.

Subsequent Receipts of contribution towards Equity –

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

GOM has been contributing such equity support since financial year 2006-07. No time frame has been defined at the time of contribution for allotment of shares. Accordingly the Company has been accounting such amounts received under the head “Share application money pending allotment.” The balance excluding opening equity under the head Share application money pending allotment as at March 31, 2015 was ₹ 8,669,484,360. During the year the Company has received ₹ 7,559,800,025. and the board has allotted 93,03,11,789 equity shares at par amounting to ₹ 9,303,117,890 to MSEB

holding Company Limited. The balance of ₹ 7,559,800,000 as at March 31, 2016 would be issued to the MSEB holding Company Limited on approval of such allotment by the board.

During the year, Government of Maharashtra has notified "Maharashtra Electricity Reforms Transfer Scheme, 2016" vide its notification dated 31.03.2016. As per this scheme valuation of fixed assets of company has been increased by ₹ 151,107,604,350. The consequential increase in the value of assets has been compensated by way of issuance of equivalent Equity share capital to MSEB Holding Company Limited. These shares have also been allotted during current year.

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

25 (A) Details of Loans –

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

25(B) The charge/mortgage created against assets of the Company as securities in respect of the loans, taken by the erstwhile Maharashtra State Electricity Board, which are subsequently transferred to the Company on June 06, 2005 pursuant to the transfer scheme notified by the State Government, continues to be valid and binding on the Company. (Refer Annexure A) In case of MCL, Unsecured loans have been taken from holding Companies namely Maharashtra State Power Generation Company Limited amounting to ₹ 33.37 Crores and from Gujarat State Electricity Corporation Limited amounting to ₹ 22.15 Crores totalling to ₹ 55.52 Crores.

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

26) Payment to Auditors including service tax:

MSPGCL		
Particulars	2015-16 (₹)	2014-15 (₹)
As Auditors – For Statutory Audit	5,550,000	5,400,000
For Taxation Matters	0	0
For Other Services	450,000	668,795
Reimbursement of expenses	870,000	667,440
Total	6,870,000	6,736,235

DCPL :		
Particulars	FY 2015-2016	FY 2014-2015
Audit fees	20,000	20,000
Service Tax	3,000	2,472
Total	23,000	22,472

MAMSL:		
Particulars	2015-2016	2014-2015
Audit Fees	9,200	9,120
Taxation Matter	-	-
Total	9,200	9,120

MCL: Particulars		31st March, 2016
Remuneration to Auditors (₹)		25,000

27) Value of imports calculated on CIF basis

Particulars	2015-16 (₹)	2014-15(₹)
Raw Material	Nil	Nil
Components and Spare parts	2,099,7508	Nil
Capital Goods	Nil	Nil

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

	Particulars	2015-16		2014-15	
		%	₹	%	₹
A)	Raw Materials – Coal, Gas & Oil				
	Indigenous	100	105,349,532,779	100	101,280,367,140
B)	Stores, Spares and Component				
	Imported	0.24	9,154,546	0.23	4,811,134
	Indigenous	99.76	3,782,736,134	99.81	2,577,097,836
	Total		3,791,890,680		2,581,908,970

- 29) **Break Up of Energy Sold**

Power Plant	Value (₹)	
	2015-16	2014-15
Hydro	7,367,817,036	6,170,953,339
Thermal	161,661,872,985	155,278,427,615
Gas	9,302,546,646	10,639,355,824
Solar	3,924,404,004	3,338,041,664
Total	182,256,640,670	175,426,778,442

Above is excluding sales to residential colony & surcharge and other true-up/ adjustment bills amounting to ₹ 10,508,607,703 (PY ₹ 14,247,570,743).

- 30) Revenue Subsidy / Grant – During the current year the company has recognized revenue from sale of power through solar project amounting to ₹ 3,924,404,004 (PY ₹ 3,338,041,664) and has lodged claim of ₹ 16,423,680 (PY ₹ 16,728,240) @ ₹ 12 per Unit with Government of India towards Revenue subsidy/ Grant in the form of Generation Based Incentive.
- 31) Company raises energy sale bill, Fuel Adjustment Charges Bill, Surcharge bill etc to MSEDCL. The funds received from MSEDCL are appropriated on First In First Out Basis. While doing so, the receipts are appropriated firstly towards interest on delayed receipts and subsequently towards the principal amount due from MSEDCL.

The balances of Trade Receivables, loans and advances, Deposits, Loan from World Bank and Trade payables are subject to confirmation and reconciliation if any.

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

- 32) Short Term Loans and advances include an amount of ₹ 7,608,803,861 (PY ₹ 11,861,505,038) towards advances paid to coal suppliers. Against these advances the company has liability for supply of coal amounting to ₹ 3,735,260,584 (PY ₹ 12,304,581,577) which is included in Trade Payable under the head current liabilities. Pending final passing of bills for coal supplied by these coal suppliers, the said advances and liabilities have not been adjusted.
- 33) An amount of ₹ 1,341,666,870 (PY ₹ 464,644,371) under the head 'Assets held for sale' represents assets which are not in active use and the management has decided to dispose such assets. In view of the management, the net realizable value would be higher than the carrying value in the books and therefore does not require any provisioning.
- 34) Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSME) Act, 2006 have been determined based on the information available with the company and the required disclosures are given below.

	Particulars	Amount
a)	Amount remaining Unpaid to any supplier	
	Principal Amount	7,015,584
	Interest Due thereon	109,212
b)	Interest paid by the company alongwith payment made beyond appointed day during the year	-
c)	Amount of interest accrued and remaining unpaid	1,975,642
d)	Further interest remaining due and payable even in the succeeding year until such date when interest is actually paid to small enterprise	5,765,889

In case of MAMSL, as on 31-03-2016, there are no dues to Micro, Small and Medium Enterprises defined under “Micro, small and Medium Enterprises Development Act 2006”.

35) Disclosures required by Accounting Standards

a) Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post Employment Benefits :- Defined Benefit Plan Provident Fund:

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

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident funds are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The liability for the shortfall of interest is required to be accounted based on an actuarial valuation. The said Trust has not carried such actuarial valuation for the shortfall, if any, as at March 31, 2016. In the absence of the requisite details and information, the company accounted the shortfall based on the provisional financial statements of the trust as at March 31, 2016. Accordingly company has recognized ₹ Nil (PY ₹ Nil) liability (based on provisional accounts of CPF Trust) [being surplus to CPF Trust].

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

	Particulars	31st March, 2016 ₹ (Unaudited)	31st March, 2015 ₹ (Unaudited)
1	Liability for subscriptions and interest payable to employees at the end of year	16,603,214,447	15,295,100,000
2	Fair Value of Plan Assets at the end of year	16,908,091,747	15,431,200,000
3	Net Liability	Nil	Nil

(iv) Description of Plan Assets

	Particulars	For the year ended 31st March, 2016 (in %) (Unaudited)	For the year ended 31st March, 2015 (in %) (Unaudited)
1	Special Deposit Schemes	29.41	31.64
2	Bonds issued by public sector enterprises and Financial institutions	35.10	33.95
3	Government Securities	27.98	33.55
4	Others	7.51	0.86

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

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

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

(vii) Defined Benefit Plans – Gratuity and Long Term Compensated Absences – as per actuarial valuations as on March 31, 2016 and recognized in the financial statements in respect of Employee Benefit Schemes:

(viii) Expenses recognized in the Profit and Loss Account

Particulars		For the year ended 31st March, 2016 (₹)		For the year ended 31st March, 2015 (₹)	
	Components of Employer Expense	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
1	Current Service Cost	149,973,540	114,594,941	120,156,437	107,317,933
2	Interest Cost	413,734,150	441,924,390	413,905,533	358,592,260
3	Curtailment Cost/(Credit)				
4	Settlement Cost/(Credit)				-
5	Past Service Cost				-
6	Actuarial Losses/(Gains)	542,881,377	117,948,318	1,586,978,856	2,299,050,820
7	Total expense recognized in the Statement of Profit and Loss Account	1,106,589,067	674,467,649	2,121,040,826	2,764,961,013
The gratuity expenses have been recognized as 'Gratuity' and Leave Encashment expenses as 'Leave Encashment Scheme' in "Employee Benefit Expenses" under Note no. 18.					

(ix) Reconciliation of Defined Benefit Obligation

	Change in Defined Benefit Obligations	31st March, 2016 (₹) (31st March, 2015)(₹)	
		Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Present Value of Defined Benefit Obligation at the beginning of period	5,204,203,149 (4,474,654,412)	5,558,797,356 (3,876,673,079)
2	Current Service Cost	149,973,540 (120,156,437)	114,594,941 (107,317,933)
3	Interest Cost	413,734,150 (413,905,533)	441,924,390 (358,592,260)
4	Past Service Cost	-	-
5	Curtailment Cost / (Credit)	-	-
6	Settlement Cost / (Credit)	-	--
7	Actuarial(Gains) / Losses	542,881,377 (1,586,978,856)	117,948,318 (2,299,050,820)
8	Benefits Paid	1,407,672,091 (1,391,492,089)	550,540,479 (1,082,836,736)
9	Present Value of Defined Benefit Obligation at the end of period	4,903,120,125 (5,204,203,149)	5,682,724,526 (5,558,797,356)

Summary of Actuarial Assumptions

	Actuarial Assumptions	For the year ended 31st March, 2016	
		Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Increment Rate	5%	5%
2	Rate of Discounting	7.99%	7.99%
3	Attrition rate	2%	2%
4	Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

In case of MAMSL, No Provision for Gratuity is required; since the Company did not have any employee during the year.

b) Segment Reporting

Business Segment

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

Secondary Segment

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

In case of MCL, since the Company has not started its operations during the year hence segmental Reporting is not applicable.

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

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

Other disclosures as required by AS 18 are as under:

Remuneration paid to Directors

	Name of Related Party	Nature of Relationship	2015-16	2014-15
			(₹)	(₹)
i)	Mr. Bipin Shrimali	Chairman & Managing Director	2,407,727	451,120
ii)	Mr. Asheesh Sharma	Chairman & Managing Director (from 01-04-2013 to 05-01-2015)	-	1,960,350
iii)	Mr. J.K. Shrinivasan	Director (Finance)	3,010,807	2,424,920
iv)	Mr. C.S. Thotwe	Director (Project)	3,450,197	2,724,431
v)	Mr. V.P. Singh	Director (Operations)	4,352,283	3,657,500
Remuneration to Key Managerial Persons				
i)	Mr. A.R. Nandanwar	Executive Director (Operations)	2,569,826	2,274,860
ii)	Mr. Manoj Ranade	Executive Director (HR)	2,011,702	1,593,567
iii)	Mr. Rahul Dubey	Company Secretary	1,845,703	1,508,732

MAMSL:-

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

Key Management Personnel

Shri Vijay Singh	Managing Director	w.e.f.22.3.16
Shri Chandrakant S. Thotwe	Director	Ceased as Director w.e.f. 23.05.16
Shri A.S. Parate	Director	Ceased as Director w.e.f. 23.05.16
Shri Jaikumar Srinivasan	Director	
Shri K.M. Chirutkar	Director	w.e.f.22.3.16
Shri Sudhir Paliwal	Director	w.e.f.22.3.16

Holding Company :- Maharashtra State Power Generation Company Limited

(Amount in ₹)

Nature of Transaction	Years	In relation to (a) above	In relation to (b) above
Unsecured Loans Taken	2015	Nil	29,973
	2016	Nil	34,871
Amount Outstanding as on 31st March 2015			
Loans Payable	2015	Nil	1,255,143
	2016	Nil	1,290,014
Note: Related Parties are as disclosed by the Management and relied upon by the auditors.			

d) Disclosures regarding leases

Operating Leases-Company's significant leasing arrangements are in respect of operating leases. MSEB Holding Company Ltd. Lease -The Company has entered into the lease agreement with MSEB Holding company Ltd., initially for two years with effect from 01-04-2008 in respect of office premises occupied at Head Office i.e. Prakashgad and Dharavi, guest house at New Delhi and residential quarters at various places in Mumbai for which lease rent is payable to the extent of ₹ 120,347,008 p.a. for FY 2015-16 (PY ₹ 118,867,935). Further with effect from 27-05-

2014, it has been mutually agreed among the group to extend the Agreement upto 31-03-2018 on same terms and conditions. Further the Company is also occupying certain part of premises at HSBC Building, Fort for which there is no lease agreement and hence there has been no provision for proportionate share of expenses for the past year. However expenditure will be accounted for on finalization of agreement.

Hydro Lease: MERC has issued order for revised lease rentals to be paid to Government of Maharashtra (GOM) with effective from 2012-13 in respect of various hydro power stations under the control of the Company. During year 2015-16 company has provided for lease rent of ₹ 3,183,500,000 (PY ₹ 3,215,400,000). Similarly, on the basis of Lease Rent order in respect of Ghatghar HPS dated 27-12-2012, Company has provided for ₹ 2,194,800,000 (PY ₹ 2,266,900,000) Further, vide letter dated 03-03-2011, GOM has informed that it would be taking over Bhatghar, Yeldari and Vaitarna HPS for Renovation and Modernization. However, at present these HPS are still in the possession of the Company and are being operated by the Company, hence the accounting effect of the same would be considered in the Books of Accounts of the Company in the year in which these HPS would be handed over to GOM.

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

Uran Leasehold Land - Company has acquired 1,90,799 sq. mtrs of land at Uran for the purpose of implementing Gas based Expansion project. The land for the said project has been acquired from CIDCO on lease vide Lease Deed dated 03-06-2008 for a period of sixty years at the cost of ₹ 429,300,000 and the same is being amortised.

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

Particulars	2015-16	2014-15
Profit After Tax as per Accounts (Amount in ₹) (For Basic and Diluted Earnings Per Share) – (A)	-88,041,132,718	4,342,932,282
Weighted Average number of shares outstanding during the year for Basic EPS (Nos.) – (B) *	9,046,313,122	8,350,519,715
Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) – (C)	9,046,313,122	8,350,519,715
Basic Earnings Per Share (A) / (B) (Amount in ₹)	-9.73	0.52
Diluted Earnings Per Share (A) / (C) (Amount in ₹)	-9.73	0.52

* Weighted average number shares includes shares to be allotted towards share application money. The Earning Per Share has been calculated for each share with nominal value of ₹10.

f) **Taxation**

In the absence of any taxable income for the year as per the provisions of the Income Tax Act, 1961, tax liability is calculated at the minimum alternate tax (MAT) rate under section 115JB of the Income Tax Act, 1961 and provision of Nil (PY ₹ 2166,000,000) has been made for the same. Since there is no convincing evidence that the Company will pay normal income tax during the specified period, the same has been charged to Statement of profit and loss and has not been treated as asset, as per Guidance Note on 'Accounting for Credit Available in Respect of Minimum Alternative Tax Under the Income-tax Act, 1961' issued by the Institute of Chartered Accountants of India

MAMSL:

- Provision for taxation for the year has been made for ₹ 21,160/-.
- There are no items attributable to the timing difference between taxable income and accounting income hence no deferred tax liabilities (assets) as required by Accounting Standard (AS)-22 has been recognized during the year.

MCL:

Since the Company has not started its operations during the year and not earned any profits hence no provision for taxation has been made under the Income Tax Act, 1956.

(g) Joint Venture Operations

UCM Coal Company Ltd.

The Ministry of coal had allocated Chendipada coal blocks of Talcher Coalfields in Orissa jointly to the company, Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. and Chattisgarh Mineral Development Corporation. For this purpose a Joint Venture company namely UCM Coal Company Ltd. (domicile India) has been incorporated for executing proposed mining project with a paid up capital of ₹ 1,600,000 (1,60,000 equity shares of ₹10 each) out of which Company has held equity shares amounting to ₹ 300,000 (30,000 equity shares of ₹ 10 each) . The company has shareholding of 18.75% in the joint Venture. Based on the unaudited accounts of UCM Coal Company Ltd., the assets and liabilities as at 31st March 2016 in respect of the company's share in the above joint venture operation is as under:

Particulars	31-03-2016	31-03-2015
	Unaudited	Audited
Reserves & Surplus	-146,122	-156,270
Non-Current Liabilities		
Long Term Liabilities	937,500	937,500
Long Term Provisions	335,036	335,036
Current Liabilities		
Other Current Liabilities	2,438	-
Short Term Provisions	47,451	46,310
Non-Current Assets		
Net Block of		
Tangible Assets	4,424	5,025
Intangible Assets	342	342
Current Assets		
Cash and Others	1,476,303	1,457,210

Claim against the company not acknowledged as debt:

In the light of Hon'ble Supreme court order dated 25-08-2014 and order dated 24-09-2014 de-allocating all the coal blocks which includes Chendipada and Chendipada II coal blocks M/s. Adani Enterprises Limited filed a claim of ₹ 494.76 Crores (previous year Nil) for restitution of expenditure and cost incurred by them towards performance of obligation under the Mining Contract for Chendipada Coal Blocks.

h) There are no outstanding Foreign Currency contracts as on 31-03-2016 which are hedged by the company.

i) Investment in Mahaguj Collieries Ltd.:

The Hon'ble Supreme Court has vide its order dated 25.08.2014 read with Order dated 24.09.2014 cancelled the allocation of all the coal block made by Ministry of Coal, Govt. of India between the period 1993 to 2010 which includes the Machhakata-Mahanadi coal blocks allotted to Mahaguj Collieries Ltd. The Govt. of India has issued The Coal Mines (Special Provision) Act, 2015 (no. 11 of 2015) with retrospective effect from 21.10.2014 for reallocation process of cancelled coal blocks.

Accordingly, after the reallocation of the said blocks to new allottee by the Ministry of Coal, Govt. of India, the

process for transfer of documents and rights namely the Geological Report, Mining Plan, Mine Closure Plan etc. and payment of compensation to the promoters of Mahaguj Collieries Ltd shall be undertaken as per the compensation that may be decided by the Ministry of Coal, Govt. of India.

In view of the above the company is confident of recovering the amount invested in subsidiary and there is no requirement of recognizing any impairment of the same.

In case of MCL, Hitherto all the revenue expenses (net of income earned) were treated as deferred revenue expenses and carried forward in the balance sheet under the head miscellaneous expenses & preoperative expenses. But in order to comply with the provisions of the Companies Act, 2013 and applicable accounting standards, the net revenue expenses for the F.Y. 2015-16 amounting to ₹ 120.34 Lacs are now charged to P & L account. The expenses incurred up to F.Y. 2014-15 are now shown under non-current assets in the Balance Sheet. These expenses are mainly comprising of Company formation expenses, payment to CMPDIL for purchase of Geological Report, Washability test report, consultancy charges and various operative expenses incurred for development of Coal Mine.

j) Disclosure on coal washery operator claims:

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

k) Impairment of assets of Mahaguj Collieries Limited:

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

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

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

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

As on date Coal Block allocation has been cancelled; however, in the subsequent bidding the Machhakata-Mahanadi Coal Block has not been allotted to any bidder as on March, 2016. Similarly, the Company has not received any

communication from the Ministry of Coal denying the valuation and claims made by the Company. In view of this, the management is of the opinion that none of the Company's Assets are impaired.

- l) DTPLC has incurred a profit before tax of ₹ 49,030/- during the year and has accumulated losses of ₹ 963,179/- resulting in erosion of its net worth completely. However, considering the fact that the Company is a subsidiary of Maharashtra State Power Generation Company Limited, and is likely to operate a project in future and the industry to which the Company belongs where each project has a long term horizon, the accounts have been prepared on going concern basis.

m) Note on 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's on 05-06-2005 has been increased from ₹ 3566 Crores to 18677 Crores resulting into increase in the value of Net fixed assets by ₹ 15111 Crores and allotment of equity share capital of the equivalent amount to MSEB Holding Company Limited.

Accordingly, the Gross value of individual assets have been increased by ₹ 15611 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 31-03-2016. Such depreciation amounted to ₹ 9411 Crores. 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 ₹ 1109 Crores has also been written-off during current year. Both the above items have been presented as extra ordinary items.

n) Advance Against Depreciation(AAD):

Advance Against Depreciation(AAD): Advance Against Depreciation (AAD) income is allowed in previous Regulation of MERC in order to fulfill the gap between Loan principal repayment & Depreciation. Consequently, in terms of company's policy to recognize the income upon its accrual, a provision has been made in FY 2014-2015 against the AAD income for FY 2012-2013 in respect of Parli TPS Unit No. 6 & 7, Paras Unit No. 3 & 4 & Khaperkheda Unit no.5. This income will be recognised in FY 2024-2025 i.e. after completion of loan tenure of 12 years.

o) Disclosure related to Revenue sharing with M/s CSSEPL:

Mahagenco and M/s. CSSEPL entered into a PPP agreement for construction & operation of solar power plant at Shirsuphal Baramati. PPA is signed between MSPGCL and MSEDCL for the same. Entire revenue is booked as income in the books of Mahagenco and payment in nature of construction cost deferred payment, interest on deferred payment and O&M expenses are made by Mahagenco to CSSEPL as per the MOU signed between them.

- p) Previous year figures have been regrouped wherever necessary.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

	(Amount in Rs.)	(Amount in Rs.)
Cash flow from Operating Activities		
Net Profit After Taxes		(88,029,054,411)
Adjustments for:		
Provision for Taxation	525,802,034	
Current Year and Prior Depreciation and amortisation	107,027,767,491	
Interest Income	(2,295,513)	
Interest and finance charges	20,082,077,350	139,685,050,353
Provision for obsolescence of Stores	141,036,066	
Provision for obsolescence of Capital Asset	282,060,192	
Profit on sale of fixed assets	(83,484)	
Loss on sale of fixed assets	11,064,967,413	
Gain on foreign exchange	0	
Bad Debts Provided	563,718,804	
Operating profit before working capital changes		
Trade & Other Receivables	(9,742,699,979)	
Inventories	(4,934,494,361)	
Trade & Other Payables and Provisions for employee benefits	(32,178,028,378)	
Cash Generated from Operations		(46,866,724,718)
Taxes paid	(1,766,140,870)	
		(1,766,184,748)
Net Cash from Operating Activities		3,023,086,476
From Investing Activity		
Purchase of Fixed Assets including Capital Work In progress	(193,171,732,652)	
Disposal of Fixed Assets	12,004,925,654	
(Purchase)/Sale of Investments - of Joint Ventures	0	
(Purchase)/Sale of Investments - Others	500,000	
Interest Income	2,310,513	
		(181,163,996,485)
From Financing Activity		
Increase in grants	179,188,059	
Increase in Equity	158,667,404,368	
Borrowings	38,016,826,255	
Interest & Finance charges	(18,181,964,943)	
		178,681,453,740
Net Increase / (Decrease) In cash		540,543,731
Opening Balance		
Cash		
Bank		904,646,301
Closing Balance		
Cash		
Bank		1,445,190,032

As per our report attached

For M P Chitale & Co

Chartered Accountants

(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)
Place: Mumbai
Date: 3rd September, 2016**For Maharashtra State Power Generation Co. Ltd.**J.K. Srinivasan
Director (finance) & CFO
DIN No. 01220828Bipim Shrimali
Chairman & Managing Director
DIN No. 03272135Pankaj Sharma
Chief General Manager (A)Rahul Dubey
Company Secretary
M.No. A14212

Long Term Borrowings (Annexure A)

		(Amount in ₹)						
Sr. No.	Particulars of Lender	Nature of loan	Loan to be repaid within 1 year treated as current liability	Net long term borrowings	Mode of Repayment	Rate of Interest	Nature of security	
1	PFC	New Parali Expansion Project Enhancement of Loan Amount,	644,400,000	244,100,000	40 equal quarterly installments : commenced from July 2007	12.25%	Hypothecation of Steam Generator and Accessories of New Parli TPS Unit 1	
2	PFC	Paras Tps Extension 1x250 M.W.Coal Based Power Project at Paras	882,000,000	1,764,100,000	48 equal quarterly installments : commenced from April 2007	12.25%	Mortgage/ Hypothecation of Future assets to be created for project together with Land	
3	PFC	New Parli Expansion Project Unit 2	712,700,000	6,414,000,000	60 equal quarterly installments :- commenced from April 2011	11.65% - 12.00%	Mortgage/ Hypothecation of Future assets to be created for project together with Land	
4	PFC	Paras Expansion Project Unit 2	883,000,000	7,947,400,000	60 equal quarterly installments:- commenced from April 2011	11.65% - 12.00%	Mortgage/ Hypothecation of Future assets to be created for project together with Land	
5	PFC	Khaperkhada Tps Expansion Project	1,292,900,000	21,117,500,000	60 equal quarterly installments:- commencing from July 2016	12.25%	Mortgage/ Hypothecation of Future assets to be created for project together with Land	
6	PFC	Koradi Tps Expansion Project	0	75,040,000,000	60 equal quarterly installments : Commencing from July 2018	11.65% - 12.25%		
7	PFC	Various R & M Activates Of Chandrapur TPS	14,400,000	0	40 equal quarterly installments : commenced from October 2006	8.85%	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 ate project site, both present & future with a coverage of 1.25 times.	
8	PFC	Renovation, Modernisation & life Extension Of 500 MW koyana Hydro Power Station	50,400,000	0	40 equal Quarterly Installments : Commenced From April 2007	8.85% to 9.50%		
9	PFC	Procurement of Rotor	8,200,000	4,100,000	40 Equal quarterly installments : commenced from January 2008	12.00%		
10	PFC	R & M of Chandrapur TPS	111,400,000	27,800,000	40 equal quarterly installments : commenced from July 2007	12.25-12.50%		

11	PFC	Procurement of Simulator For 500 MW Units At Chandrapur TPS	3,600,000	900,000	40 equal quarterly installments : commenced from July 2007	12.25%
12	PFC	Procurement of Generator Stator Bhusawal TPS	14,300,000	3,600,000	40 equal quarterly installments : commenced from July 2007	12.00%
13	PFC	Replacement of Existing Operating System (OS) & Information System (IS) For Waste Heat Recovery Unit I & II (2x120MW) GTPS Uran	1,000,000	500,000	40 equal quarterly installments : commenced from October 2007	12.00%
14	PFC	Installation of Ammonia Flue Gas Conditioning System of 210 MW Units	4,800,000	8,400,000	40 equal quarterly installments : commenced from January 2009	11.40% to 12%
15	PFC	R&M Works of Koradi TPS	13,000,000	58,500,000	48 equal quarterly installments : commenced from October 2009	12.00%
16	PFC	R&M Works of Bhusawal, Parli & Paras	3,300,000	14,900,000	45 equal quarterly installments : commenced from October 2009	12.00%
17	PFC	R&M Works of Nasik TPS U - 1 & 2	14,200,000	63,900,000	45 equal quarterly installments : commenced from October 2009	12.00%
18	PFC	Upgradation of Rly Siding System At Nasik TPS	20,800,000	93,800,000	48 equal quarterly installments : commenced from October 2009	12.00%
19	PFC	Procurement of 250 MVA Generator Transformer For Koyana	3,100,000	9,200,000	48 equal quarterly installments : commenced from April 2008	12.25%
20	PFC	Ash Bund For Koradi TPS	17,800,000	80,100,000	48 equal quarterly installments : commenced from October 2009	12.00%

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 Vajjnath

21	PFC	R&M Scheme of Replacement Of Boiler Economizer/LTSH Coils And Water Wall Panels Required For Various TPS of MSPGCL	33,700,000	185,300,000	48 equal quarterly installments : commenced from October 2010	11.75%	Hypothecation of MSPGCL assets of SG & TG and other BHEL Package amounting to RS 380 Crores of Parli unit I (1x250 MW) TPS of MSPGCL, located at Vajinath,
22	PFC	Procurement of LP Rotor as a common spare for Unit 5,6 & 7 of Chandrapur STPS	23,900,000	190,900,000	48 equal quarterly installments : commenced from April 2013	11.40%	
23	PFC	Buyers Line of Credit - Capex schemes for existing Power Plants	291,800,000	2,187,600,000	40 equal quarterly installments : commenced from October 2013	11.65% to 12.50%	
24	PFC	1 MW Solar Chandrapur	13,900,000	24,400,000	32 equal quarterly installments : commenced from January 2011	9.43% - 10.45%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
25	PFC	R&M of Unit 5,6 & 7 of Koradi TPS	2,000,000	58,600,000	60 equal quarterly installments : commencing from October 2016	11.40% to 11.75%	
26	PFC	R&M of water supply system of Parli TPS from Majalgaon Lift Irrigation Scheme.	71,000,000	1,349,000,000	40 equal quarterly installments : commencing from October 2016	12.00%	
27	PFC	R&M of Boiler & Turbine Improvement Scheme of Chandrapur STPS.	0	668,400,000	60 equal quarterly installments : commencing from October 2018	11.4% to 12.00%	Assets of Parli TPS Unit 3,4 & 5 together with land
28	PFC	R&M of Ash Handling System of Unit 5&6 of CSTPS	1,800,000	23,800,000	60 equal quarterly installments : commencing from October 2015	11.4% to 12.00%	
29	PFC	R&M of Condenser Cooling System of Unit 5&6 of CSTPS	3,800,000	50,900,000	60 equal quarterly installments : commencing from October 2015	11.4% to 12.00%	
30	PFC	R&M for Process Improvement at Unit 3,4 & 5 of Nashik TPS Stage-II (3x210 MW).	200,000	3,600,000	40 equal quarterly installments : commencing from October 2016	12.00%	

31	PFC	R&M for Measuring & Monitoring of Coal consumption of Bhusawal TPS	100,000	4,100,000	60 equal quarterly installments : commencing from October 2016	12.00%	Assets of Parli TPS Unit 3,4 & 5 together with land
32	PFC	R&M for Boiler & Turbine Improvement (Station heat improvement) Scheme of Bhusawal TPS.	100,000	1,600,000	60 equal quarterly installments : commencing from October 2016	12.00%	
33	PFC	R&M for Turbine Auxiliary Performance Improvement Scheme of Bhusawal TPS.	2,000,000	59,300,000	60 equal quarterly installments : commencing from October 2016	11.4% to 12.00%	
34	PFC	R&M for Replacement of BFP (200 KHI) cartridge with energy efficient cartridge for Unit 3,4 & 5 of Parli TPS.	2,900,000	38,700,000	60 equal quarterly installments : commencing from October 2015	12.00%	
35	PFC	Renovation and Upgradation of GT Automation System, Starting Frequency converter & Static Excitation system of unit 7 & 8, Stage -II of Uran GTPS	11,900,000	151,400,000	60 equal quarterly installments : commencing from Jan 2015	12.00%	
36	PFC	Procurement of High Pressure Turbine (HPT) Module for Khaperkheda TPS Unit 1 & 2.	0	275,700,000	60 equal quarterly installments : commencing from April 2018	12.00%	
37	PFC	R & M for Turbine Auxiliary Consumption Improvement at Stage II (Unit 3,4 & 5 3x210 MW), Nashik TPS.	10,100,000	125,800,000	60 equal quarterly installments : commenced on October 2014	11.4% to 12.00%	
38	PFC	Construction of Concrete Road from Nashik-Pune Highway to Booster Pump House at Nashik TPS	1,800,000	103,500,000	60 equal quarterly installments : commencing from Jan 2017	11.40% to 12.00%	

Movable assets of Nashik TPS Unit 3,4 & 5.

39	PFC	Expediting unloading of Coal Wagons by Up-grading the existing system in Maharashtra. (DPR of Nashik TPS)	1,100,000	15,000,000	60 equal quarterly installments : commencing from October 2015	11.75% to 12.00%	Movable assets of Nashik TPS Unit 3,4 & 5.
40	PFC	Various Schemes of KGSC, Phophali in Maharashtra	4,700,000	62,900,000	60 equal quarterly installments : commencing from October 2015	11.40% to 12.00%	
41	PFC	Power supply arrangement at Colony, separate 25 KV OHE supply feeding arrangement to BESG siding & providing of passenger elevators at Paras TPS	1,000,000	13,400,000	60 equal quarterly installments : commencing from October 2015	11.40% to 12.00%	
42	PFC	Various Schemes of Small Hydro Stations in Maharashtra. (Pune SHPC and Nashik SHPC	300,000	3,500,000	60 equal quarterly installments : commencing from October 2015	11.40% to 12.00%	
43	REC	Bhusawal Expansion Project	4,309,900,000	43,099,200,000	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
44	REC	Chandrapur Expansion Project	0	44,000,000,000	48 equal quarterly installments : commencing from September 2017	11.65% to 12.50%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
45	REC	Parli Replacement Project	0	10,770,800,000	48 equal quarterly installments : commencing from September 2017	11.65% to 12.50%	Mortgage/ Hypothecation of Present & Future assets created / to be created for subject project together with Land
46	REC	Procurement of Spare HPT Module for Khaperkheda TPS	0	204,400,000	7 equal annual installments commencing from 15-January 2018	12.00%	Hypothecation of Future assets to be created from the R&M Scheme

47	REC	R&M - T, I&C Up-gradation through Burner Management System, Excitation system, HT Motor Protection etc. form Pari TPS Unit 3,4&5	0	35,900,000	7 equal annual installments commencing from 15-February 2018	12.00%	Hypothecation of Future assets to be created from the R&M Scheme
48	REC	ESP Restoration/ Refurbishment (Improvement in Stack emission control) Unit 5,6 &7. Chandrapur STPS	0	10,200,000	7 equal annual installments commencing from 15-March 2018	12.00%	Hypothecation of Future assets to be created from the R&M Scheme
49	REC	Measurement & monitoring of coal consumption. At Nashik TPS	0	9,200,000	7 equal annual installments commencing from 15-March 2018	12.00%	Hypothecation of Future assets to be created from the R&M Scheme
50	REC	Input Source measurement scheme (Fuel oil, water, Auxiliary power & coal flow) - Chandrapur STPS	0	16,000,000	7 equal annual installments commencing from 30-January 2018	11.40% to 12%	Hypothecation of Future assets to be created from the R&M Scheme
51	Canara Bank	Capex (servicing of MSETCL dues on a/c of loan serviced by MSETCL & subsequently transferred to MSPGCL)	113,500,000	0	28 quarterly installments : commenced from January 2010	Base Rate +1.00% (Floating) (presently 10.65%)	All Movable Property of Khaperkhada TPS, (Unit 1,2,3 & 4)
52	South Indian Bank	Capex (Long term) for funding of capital expenditure of existing Power stations	150,000,000	787,200,000	40 quarterly installments of Rs.3.75 crores commenced from Aug 2012	Base Rate (Floating) (presently 10%)	Movable assets (BOP mechanical package) of Pari Unit -6
53	Housing & Urban Development Corporation Ltd.(HUDCO)	Construction of Staff Quarters at Koradi Project 3x660 MW	30,000,000	75,900,000	32 quarterly installments of Rs. 75.05 lacs commenced from 31.5.2015	Floating rate (10.00%)	Mortgage/ Hypothecation of Future assets to be created for construction of staff quarters together with Land

54	Canara Bank	Establishment of 3x660 Thermal Power Plant at Koradi, Dist-Nagpur	10,000,000,000	0	38 equal quarterly installments after 6 month from the date of commissioning of first Unit	Base Rate + 1% (Floating) (presently 10.65%)	Mortgage & Hypothecation of all Movable & Immovable assets of Koradi Project 3x660 MW
55	Bank of India	Establishment of 3x660 Thermal Power Plant at Koradi, Dist-Nagpur	10,000,000,000	0	38 equal quarterly installments after 6 month from the date of commissioning of first Unit	Base Rate + 1% (Floating) (presently 10.70%)	Mortgage & Hypothecation of all Movable & Immovable assets of Koradi Project 3x660 MW
56	PFC	Setting up of Parali TPS Ext 1x250 MW Coal Based Power Project At Parali TPS	332,200,000	0	40 equal quarterly installments : commenced from July 2007	12.25%	Unsecured - backed by GOM Guarantee
57	PFC	R & M Of Uran Gas Turbine Plant In Maharashtra I & II Under K F W Assistance.	114,600,000	0	40 equal quarterly installments : commenced from April 2007	8.50% - 8.85%	Unsecured - backed by GOM Guarantee
58	PFC	Installation of Flue Gas Conditioning System For Ammonia Injunction	1,700,000	0	40 equal quarterly installments : commenced from July 2006	8.25%	Unsecured - backed by GOM Guarantee
59	PFC	Renovation, And Modernisation, And Life Extension of Koyana Hydropower Station Stage III TPS Unit I To IV	9,400,000	2,400,000	40 equal quarterly installments : commenced from July 2007	11.60%	Unsecured - backed by GOM Guarantee
60	PFC	Renovation And Modernisation of Koyana HPS Stage I And II	6,900,000	1,700,000	40 equal quarterly installments : commenced from July 2007	11.25%	Unsecured - backed by GOM Guarantee
61	KfW-Germany	Establishment of 150 M.W Solar Power Plant at Sakri- Dhule	1,740,000,000	5,574,800,000	21 semi annual installments commenced from 30.12.2013	Fixed rate (1.96%)	Unsecured - Back to back arrangement GoM & Govt of India.

62	KfW-Germany	Establishment of Solar Power Plant at Baramati & other places	0	1,429,000,000	21 semi annual installments commenced from 30.12.2013	Fixed rate (1.96%)	Unsecured - Back to back arrangement GoM & Govt of India.
63	IBRD-World Bank	Funding for Koradi TPS Unit-6 EE R&M	27,400,000	984,500,000	50 semi annual Installments beginning from 15.12.2014 till 15.6.2039	Six month LIBOR + variable Spread (1.37%)	Unsecured - Back to back arrangement GoM & Govt of India.
64	GSECLtd	Long Term Loan	221,505,726	-	-	-	Unsecured
65	MSEDCL	Long Term Loan	20,677,300	-	-	-	Unsecured
66	GOM	Uran GTPS Capex	0	500,000	120 equal monthly installments : Commenced from April 2008	11.50%	Unsecured
67	M/s Clean Sustainable Solar Energy Pvt. Ltd.	Construction Cost for 50MW Solar Power Project at Shirsuphal	42,700,000	2,053,200,000	To be repaid in monthly installments over 20 years from FY 2015-2016	18%	Unsecured

Short Term Borrowings (Annexure B)

		(Amount in ₹)	
Sr. No.	Particulars of Lender	Outstanding balance as on 31.3.16	Nature of security
1	Bank of India	18,65,68,00,000	
2	Bank of Maharashtra	171,09,00,00,000	Book debts and stocks along with collateral security in the form of charge on movable assets of Khaperkheda TPS Unit 1,2,3 & 4
3	Canara Bank	18,59,48,00,00,000	
4	Indian Bank	409,00,00,00,000	
5	Central Bank of India	341,00,00,00,000	
6	State Bank of India	100,00,00,00,000	
7	Dena Bank	179,00,00,00,000	
8	Indian Bank	500,00,00,00,000	Unsecured
9	State Bank of India	999,99,00,00,000	Unsecured
10	Syndicate Bank	174,00,00,00,000	Unsecured
11	Vijaya Bank	190,00,00,00,000	Unsecured
12	Vijaya Bank - Earmarked for funding of General Capex	60,00,00,00,000	Unsecured
13	Canara Bank	500,00,00,00,000	Unsecured
14	Bank of India	10,00,00,00,00,000	Unsecured
15	Dena Bank	421,00,00,00,000	Unsecured
16	Syndicate Bank	341,30,00,00,00,000	Unsecured
17	Bank of Maharashtra	206,49,00,00,00,000	Unsecured
18	Syndicate Bank	75,98,00,00,00,000	Unsecured

19	Bank of Maharashtra	38,49,00,000	6 months from the date of availment	Rate of interest is based on Bank Base Rate (Floating) (9.70%)	Unsecured
20	Dena Bank	7,46,00,000	6 months from the date of first disbursement	Rate of interest is based on Bank Base Rate (Floating) (9.70%)	Unsecured

Project Features



Bhandewadi Sewage Treatment Plant



Chandrapur Project



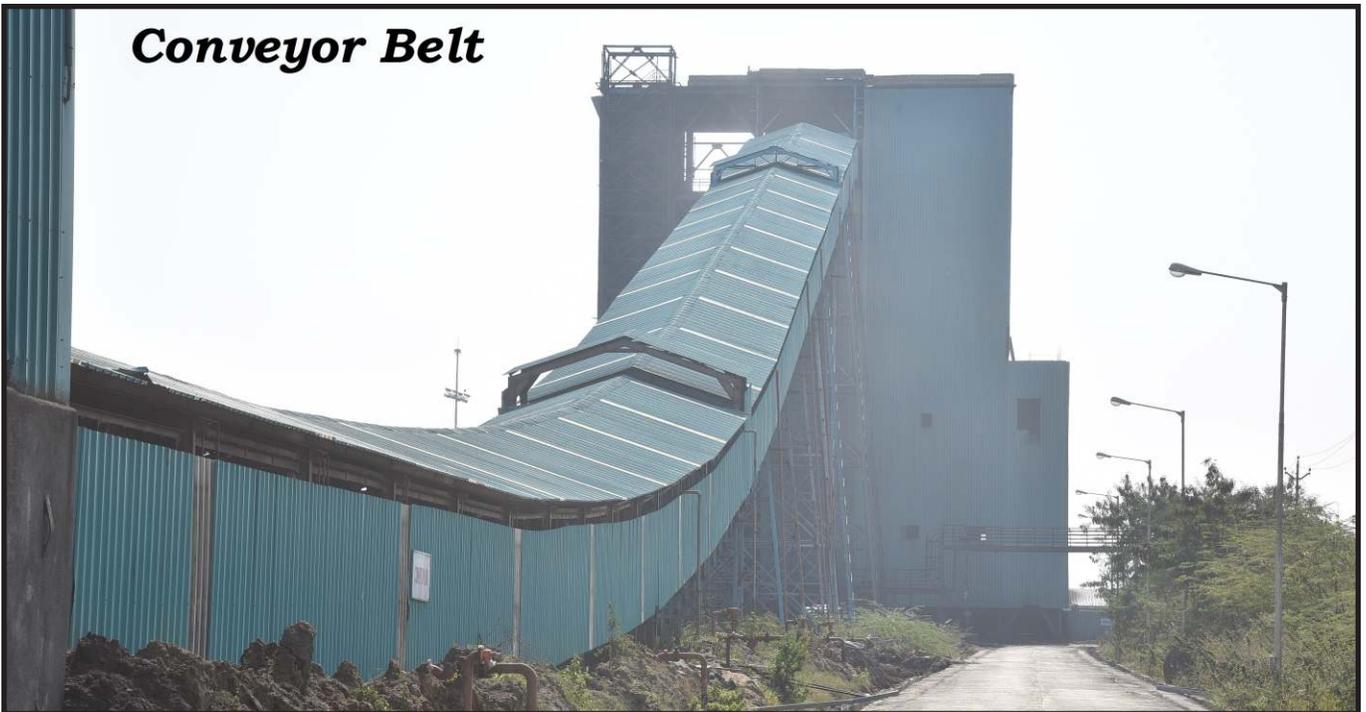
Koradi DM Plant



Koradi 660MW TG Set



KORADI Project - Plant Control Room



Koradi Project Coal Conveyor Belt



Koradi Project Condensate Polishing Unit



Koradi Project Natural Draft Cooling Tower