

**Annual Report 2008-2009**



**MAHA**GENCO

Maharashtra State Power Generation Co. Ltd.

**Generating for Generations**



# **MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED**

**ANNUAL REPORT  
2008-2009**

## Annual Report 2008-2009

### Contents

<b>PARTICULARS</b>	<b>PAGE NO.</b>
Board of Directors (Upto AGM)	01
Government Auditor's Report	02
Reply to Government Auditor's Report	04
Statutory Auditor's Report	07
Notice of Annual General Meeting	12
Director's Report	15
Balance Sheet	38
Profit and Loss Account	39
Schedules to the Account	40
Notes to Account	48
Cash Flow Statement	73
Statement under Section 212(3) of the Companies Act, 1956	77
Upcoming Projects	78

## **Board of Directors (from 01.04.08 up to AGM Date)**

**SHRI P. ABRAHAM**  
**CHAIRMAN**  
**(W.E.F. 29.07.05)**

Managing Director

**Shri Ajoy Mehta** (up to 02.02.09 BN)  
**Shri Subrat Ratho** (w.e.f. 02.02.09 BN)

Director (F)

**Shri G.J.Girase** (w.e.f. 01.06.07 BN)

Director (O)

**Shri V.T.Bapat** (up to 26.11.07)  
**Shri M.R.Shelar** (w.e.f. 27.11.07)

Director (P)

**Shri V.T.Bapat** (w.e.f. 27.11.07 up to 13.03.09 AN)  
**Shri C.S.Thotwe** (w.e.f. 31.08.09)

Director

**Shri P.V.Page** (w.e.f. 01.12.08)

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

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2009

The preparation of financial statements of '**Maharashtra State Power Generation Company Limited**', Mumbai for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accounts of India. This is stated to have been done by them vide their Audit Report dated **November 25, 2009**

I, on behalf of Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of '**Maharashtra State Power Generation Company Limited**', Mumbai for the year ended 31 March 2009. 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 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A. Comments of Profitability**

**Profit and Loss Accounts**

**Income**

**Revenue from sale of power Rs. 9346.90 Crore**

1. Revenue from sale of power includes Rs.32.24 crore of disputed revenue billed on Maharashtra State Electricity Distribution Company Limited (MSEDCL) which is under reconciliation between the two companies. Pending reconciliation, in adherence to principles of conservatism, the revenue should not have been recognized. Account of disputed income as revenue resulted in overstatement of debtors and profit by Rs. 32.24 crore.

**Expenditure**

**Generation, Administration & other expenses: Rs. 874.93 crore**

2. This has been understated by
  - (a) Rs. 2.03 crore due to treatment of cost of replacement of 24 VDC sets of battery as capital expenditure though it was of revenue nature (KTPS)
  - (b) Rs. 1.39 crore representing cost of replacement of service control valve in unit no. 1 and 2 of KTPS treated as capital expenditure and capitalized though it was a maintenance expenditure of revenue nature.

These resulted in consequential overstatement of assets and profit by Rs. 3.42 crore.

**Cost of fuel: Rs. 7156.25 crore**

**3. This is understated**

- (a) Due to non-provision for price difference amounting to Rs. 0.79 crore payable to ONGC. (GTPS)

- (b) Due to non-inclusion of Rs. 8.21 crore being payment due as on 31.3.09 on account of coal freight charges to the South Central Railway by the Thermal Power Station, Parli.

The above have resulted in understatement of current liabilities and provisions and overstatement of profit by Rs. 9.00 crore.

## **B. Comments on Financial Position**

### **Current Assets loans & advances (Schedule 7)**

#### **Inventories Rs. 825.43 crore**

4. (a) The above is overstated by Rs. 48.84 crore being the value of capital spares lying in CTPS stores as on 31.03.2009 which should have been capitalized as per accounting policy of the Company. This resulted in corresponding understatement of Fixed Assets Gross block. The effect of this under capitalization on Depreciation, Profit and Fixed Assets Net block could not be ascertained for want of complete details. (CTPS).
4. (b) Inventories are understated by Rs. 3.11 crore due to short account of closing stock of BM section by Rs. 3.11 crore (KTPS). This resulted in corresponding understatement of profit to that extent.
4. (c) There were excess inventory valued at Rs. 6.05 crore (Rs. 5.29 crore being excess stock of reject coal of KTPS and Rs. 0.76 crore inventory of CTPS) noticed on physical verification remaining to be suitably dealt with after scrutiny.

Further, the procedure for dealing with shortage/surplus of stock has not been specified in the notes to accounts.

#### **Loans and advances : Rs. 58.49 crore**

5. The above head includes unreconciled advances to suppliers amounting to Rs. 8.44 crore pending for adjustment for more than three years.

## **C. Comments on Auditors' Report**

6. A reference is invited to notes on accounts item no.1 (m) of Schedule 15 on Leases Financial Lease sub para one which reads as "In respect of assets acquired on finance lease, which are transferred under The Maharashtra Electricity Reforms Transfer Scheme, 2005 (Transfer Scheme), the lease rentals are charged to profit and loss account as and when the same accrue".

The treatment of financial lease as operating lease with details thereof and the consequential non-compliance with provisions of AS-19 regarding financial lease and its impact on financial statement were neither qualified nor quantified by the Statutory Auditors.

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

**Place: Mumbai**  
**Date:**

**PRINCIPAL ACCOUNTANT GENERAL**

## FINAL COMMENTS OF CAG AND MSPGCL REPLY FOR FY 2008-09

Sr. No	Comments of Government Audit	MSPGCL Reply	Statutory Auditor's Remarks
<b>Comments on Profitability</b>			
<b>A</b>	<b>Profit and Loss Account (Income)</b>		
<b>1.</b>	<b>Revenue from sale of power Rs. 9346.90 Crore</b> The Revenue from sale of power includes Rs. 32.24 Crs. of disputed revenue billed on Maharashtra State Electricity Distribution Company Ltd, which is under reconciliation between the two companies. Pending reconciliation, in adherence to principles of conservatism, the revenue should not have been recognised. Accountal of disputed income as revenue resulted in overstatement of debtors and profit by Rs. 32.24 crores (H.O.)	The difference of Rs. 32.24 Crs. is mainly due to the difference on account of Fuel Adjustment Cost Bills for which reconciliation with MSEDCL is in progress and the bills are in dispute due to technical parameters. Final entry for difference if any will be passed after reconciliation.	We concur with the Management Reply.
	<b>Expenditure</b> <b>General Administration and other expenses: Rs. 874.93 Crs.</b>		
<b>2.</b>	<b>This has been understated by</b>		
	a. Rs. 2.03 Crs. due to treatment of cost of replacement of 24 VDC sets of batteries as capital expenditure though it was of revenue nature (Khaperkheda TPS)	In this case, the cost of new batteries has been capitalised and the Cost of old batteries have been removed from assets. Entry to this effect has been passed vide JV no. 116 dt. 31.03.2010 for removal of old batteries from the assets and write off amount charged to revenue expenditure.	We concur with the Management Reply.
	b. Rs. 1.39 Crs. representing cost of replacement of service control valve in Unit no. 1 and 2 of KhTPS treated as capital expenditure and capitalized though it was maintenance expenditure of revenue nature. These resulted in consequential overstatement of assets and profit by Rs. 3.42 Crs.	In this case the control valve cost was capitalised which is now withdrawn and amount cahrged to revenue expenditure vide JV no. 235 dt. 31.03.2010	We concur with the Management Reply.
	<b>Cost of fuel Rs. 7156.25 Crores</b>		
<b>3.</b>	<b>This is understated</b>		
	a. Due to non-provision for price difference amounting to Rs. 0.79 Crs. payable to ONGC (GTPS)	Necessary rectification entry is passed in FY 2009-10 vide JV no. 18 of Jan 2010	We concur with the Management Reply.

	b.	Due to non-inclusion of Rs. 8.21 Crs. being payment due as on 31.03.2009 on account of coal freight charges to the South Central railway by the Thermal Power Station, Parli. The above have resulted in understatement of current liabilities and provisions and overstatement of profit by Rs. 9. Crs.	The necessary adjustment entry shall be passed in the FY 2009-10	We concur with the Management Reply.
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### Comments on Financial Position

<b>B.</b>	<b>Current Assets loans and advances (Schedule 7) Inventories Rs. 825.43 Crs.</b>			
<b>4.</b>	<b>a.</b>	The above is overstated by Rs. 48.84 Crs. being the value of capital spares lying in CTPS stores as on 31.03.2009 which should have been capitalised as per accounting policy of the Company. This resulted in corresponding understatement of Fixed Assets Gross block. The effect of this under capitalization on Depreciation, Profit and Fixed Assets net block could not be ascertained for want of complete details. (CTPS)	The work of computing the depreciation on capital spares procured unit wise and asset wise is in progress and necessary accounting entries in this respect shall be passed in FY 2009-10	We concur with the views of the Management and same is qualified in the Audit Report Para no. 4(iv).
<b>4.</b>	<b>b.</b>	Inventories are understated by Rs. 3.11 Crores due to short account of closing stock of BM Section by Rs. 3.11 Crores (KTPS) This resulted in corresponding understatement of profit to that extent.	Necessary rectification JV No. 35 dt. 31.01.2010 has been passed.	Physical Inventory at B.M. Section was given to us at Rs. 5.87 Crores which was relied upon by us.
<b>4.</b>	<b>c.</b>	There were excess inventory valued at Rs. 6.05 Crs. (Rs. 5.29 Crs being excess stock of reject coal of KTPS and Rs. 0.76 Crs. inventory of CTPS) noticed on physical verification remaining to be suitably dealt with after scrutiny. Further, the procedure for dealing with shortage/surplus of stock has not been specified in the notes to accounts.	After scrutiny, it has been revealed that only an amount of Rs. 2.85 Crs. needs to be accounted for instead of Rs. 5.29 Crs. for which the JV no. 34 dt. 31.01.2010. As regards inventory of Rs. 0.76 Crs. the proposal for write back of excess of material during physical verification of inventory has been sent to Competent Authority for approval. Necessary accounting entry in this regard shall be passed after the receipt of approval of Competent Authority.	As informed to us, matter is under scrutiny and after reconciliation between book stock and physical stock. The difference if any shall be dealt with in the accounts in 2009-10. We concur with the views of the Management.



Loans and advances: Rs. 58.49 Crs.			
5.	The above head includes unreconciled advances to suppliers amounting to Rs. 8.44 Crs. pending for adjustment for more than three years. (CTPS)	An amount of Rs. 8.44 Crs is not bad debts. Certain material has been received from these suppliers and liability has been created. Further out of the above outstanding advances, certain material is yet to be delivered by BHEL due to production cycle issues. Further, exercise of clearance of old Store Receipt Notes is in progress and so far advances to the tune of <b>Rs. 2.96 crores</b> have been adjusted in the accounts of FY 2009-10 till January 2010.	Wr concur with the views of the Management and same is qualified in the Audit Report ParaNo. 4V (ii) (b).
C. Comments on Auditors Report			
6.	<p>A reference is invited to note on accounts item no. 1 (m) of Schedule 15 on Leases Financial Lease sub para one which reads as “In respect of assets acquired on finance lease, whcih are transferred under Maharashtra Electricity Reforms Transfer Scheme, the lease rentals are charged to profit and loss account as and when the same accrue”.</p> <p>The treatment of financial lease as operating lease with details thereof and the consequential non-compliance with provisions of AS-19 regarding financial lease and its impact on financial statements were neither qualified not quantified by the Statutory Auditors.</p>	During the MSEB regime, Ash Handling Plant at Khaperkheda Power Station was constructed through lease arrangement from State Bank of India. At that time this asset was not created in the books of MSEB. Post unbundling of MSEB the said ash handling plant which is a part of Khaperkheda TPS, has been allocated to MSPGCL. Hence MSPGCL has been paying the lease rent to SBI. Since the asset has not been created and come through the Transfer Scheme, the same cannot be created in the books of MSPGCL subsequently. Accordingly though the transaction is of the nature of financial lease, it is being treated as operating lease by charging lease rentals to P&L. Consequently, fair value assessment of asset is not required to be carried out. The treatment of such lease has been disclosed in the notes of Accounts.	We concur with the Management Reply.

## **AUDITORS' REPORT**

### **To the Members of Maharashtra State Power Generation Company Limited**

1. We have audited the attached Balance Sheet of Maharashtra State Power Generation Company Limited, as at 31st March 2009, the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3.(a) As required by the Companies (Auditor's Report) Order, 2003, (as amended by Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 3 (b) In compliance of the Sub-direction under Section 619 (3) (a) of the Companies Act, 1956 issued by Accountant General (Commercial Audit), Maharashtra vide letter No. AG/CA/CAW-I/F3813 dated 7<sup>th</sup> July, 2009, we refer to Note no 25 of the Notes to the Accounts which gives the disclosure required to be given under the aforesaid Sub-direction, to the extent available.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with in this report comply with the requirements of the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, *except that Inventory includes Machinery Spares, which as per Accounting Policy No. 1 (f) should have been capitalized and depreciated over the remaining useful life of the related plant and machinery. However the company has not complied with this Policy and further such practice is also not in conformity with Accounting Standard 6 and Accounting Standard 10 on Depreciation and Fixed Assets respectively. The Company has not ascertained the amount of such Spares;*
  - (v) As per Notification no.: GSR 829(E) dated 21-10-2003, the Government Companies are exempted from the provisions of clause 274(1) (g) of the Companies Act, 1956;
  - (vi) Attention is drawn to Note No. 23 of the Notes to Accounts (Schedule 15) regarding the booking of revenues from sale of power in respect of Paras Unit No.3 and Parli Unit No.6.
  - (vii) a] *The assets and liabilities of the company as on June 06, 2005 contain balances, which are transferred under*

*The Maharashtra Electricity Reforms Transfer Scheme, 2005. As informed to us, these balances are adopted by MSEB Holding Company Ltd. and are yet to be adopted by the company. It was further informed to us that the Final Transfer Scheme is yet to be notified by the Government of Maharashtra, and as such the opening balances are yet to be adopted by the Company. Changes, if any, in such balances may have an impact on the financial statements of the company. Further, we draw attention to Note No. 2 in Schedule 15, regarding transfer to the company in the earlier year of Loan liability along with interest thereon from Maharashtra State Transmission Company Limited, in partial modification of the Scheme as approved by the MSEB Holding Company Ltd.*

- b] *The balances of Sundry Debtors, Sundry Creditors, Loans and Advances, Other Receivables and other debit / credit balances including that of holding company and other subsidiary companies of holding company are subject to confirmations and reconciliations. The effect of the adjustments arising from reconciliation and settlement on the Profit & Loss Account, if any, is not ascertained.*

*Subject to our comments in paras 4(iv) & 4(vii) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2009;
- (b) in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

**For M/s. Ford, Rhodes,  
Parks & Co.**

Chartered Accountants

**For M/s. P. G. Bhagwat**  
Chartered Accountants

**For M/s. P. G. Joshi & Co.**  
Chartered Accountants

**S. B. Prabhu**  
Partner  
M. No.: 35296

**S. S. Athavale**  
Partner  
M. No.: 83374

**Prashant P. Tidke**  
Partner  
M. No.: 039362

Place: Mumbai  
Date: 25<sup>th</sup> November, 2009

## ANNEXURE

### Referred to in paragraph 3 of our report of even date

- 1a. *The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets, i.e., the location of the assets and the link with the physical asset by way of asset number is not maintained. Further, the cost of the assets in the Fixed Assets Register is not tallied with the fixed assets block as per the Balance Sheet.*
- 1b. As informed to us, the Company has a policy of conducting Physical verification of fixed assets once in three years, which in our opinion is reasonable and commensurate with the size of the Company and the nature of its business. *The Company has last conducted a Physical verification of fixed assets in the Financial year 2006-07 and the same still remains to be reconciled with the Fixed Assets Register.*
- 1c. During the period under audit, the company has not disposed off a substantial part of the fixed assets.
- 2a. The physical verification of inventory has been conducted at reasonable intervals by the management..
- 2b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2c. On the basis of our examination of the records of inventory and the reports of physical verification, we are of the opinion that the company is maintaining proper records of inventory. *No material discrepancies other than in respect of coal were observed. The discrepancies observed in respect of coal were adjusted appropriately in the accounts. The management conducts Physical verification on 30th September every year and not on Balance Sheet date. Hence the differences if any, between the book stock and physical stock on the Balance Sheet date have not been ascertained.*
- 3a. As per the information and explanations given to us, the company has not granted any loans to companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956 during the year..
- 3b. As per the information and explanations given to us, the company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. *However, we have observed weaknesses in internal controls in compiling and maintaining the party-wise and age-wise details of various current liabilities and current assets.*
5. On the basis of our examination of books of account and according to the information and explanations given to us, the company has not entered into any transaction that needs to be entered into the Register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed against the Company by the Company Law Board, National Company Law Tribunal, RBI, any court or any other Tribunal.

7. *In our opinion and according to the information and explanations given to us, internal audit system prevailing in the company is not commensurate with the size and nature of its business. The Internal Audit Department of the company, in our opinion, continues to be inadequately staffed and it had not covered sufficient area of operations during the Financial Year 2008-09. However, as informed to us, the company is in the process of strengthening the Internal Audit function by appointing external firm of Chartered Accountants.*

8. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government, for the maintenance of the cost records prescribed under section 209 (i) (d) of the Companies Act, 1956. We are of the opinion that prima-facie the prescribed records have been maintained. We have, however, not made a detailed examination of the records with the view to determine whether they are accurate and complete.

9a. According to information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, were outstanding, as at the balance sheet date for a period of more than six months from the date they became payable.

9b. According to the records of the company, there are no dues of Income Tax / Sales Tax / Service Tax / Custom Duty / Wealth Tax / Excise Duty / Cess, which have not been deposited on account of any dispute, except:

Nature of dues	Amount unpaid (Rs. Lakhs)	Forum where dispute remains
Excise duty	186.66	Commissioner of Central Excise
Income Tax AY 2006-07	25875.00	Commissioner (Appeals)

10. There are no accumulated losses in the company at the end of the financial year. As per the books of account of the company, it has not incurred any cash losses during the financial year and in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.

12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, and to the best of our information and according to the explanations given to us, we are of the opinion that the company is neither a chit fund nor a nidhi / mutual benefit fund / society. Hence, in our opinion, the provisions of clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the company.

14. As per the records of the company and the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the aforesaid order are not applicable to the company.

15. According to the records of the company and the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and / or financial institutions.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed during the year have been applied for the purposes for which they were obtained by the company.
17. According to information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
18. During the financial year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. *The company has not created any charge / security in respect of the Debentures issued by erstwhile Maharashtra State Electricity Board, which are subsequently transferred to the company on June 06, 2005. The company has not registered any charge with Registrar of Companies.*
20. The company has not raised any money by public issue during the period under audit. Accordingly the provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable to the company.
21. During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices, we have not noticed any fraud on or by the company, nor have we been informed by the management of any such cases during the financial year.

**For M/s. Ford, Rhodes,  
Parks & Co.**  
Chartered Accountants

**For M/s. P. G. Bhagwat**  
Chartered Accountants

**For M/s. P. G. Joshi & Co.**  
Chartered Accountants

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

**S. B. Prabhu**  
Partner  
M. No.: 35296

**S. S. Athavale**  
Partner  
M. No.: 83374

**Prashant P. Tidke**  
Partner  
M. No.: 039362

Place: Mumbai  
Date: 25<sup>th</sup> November, 2009

## NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of the shareholders of Maharashtra State Power Generation Company Limited will be held on 25<sup>th</sup> November, 2009 at 4.00 P.M. at Hongkong Bank Building Fort, Mumbai- 400051 to transact the following business:

### Ordinary Business:

1. To receive consider and adopt the audited Balance Sheet as at 31.3.09 and Profit and Loss Account for the year ended on that date, together with Report of Directors' and Auditors' thereon\*.
2. To consider and if deemed fit to pass with or without modification the following resolution as Ordinary Resolution

RESOLVED THAT pursuant to the provisions of Section 224 (8) (aa) read with Section 619 (2) and other applicable provisions, if any of the Companies Act, 1956, the Company do hereby pay Rs. 16.50 lakhs as remuneration, subject to applicable Service Tax and reimbursement of out of pocket expenses up to a limit of Rs. 2 lakhs to the Statutory Auditors of the Company appointed /to be appointed by the Comptroller and Auditor General of India, u/s 619 (2) of the Companies Act, 1956, in respect of Company's financial year commencing from 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010.

FURTHER RESOLVED THAT the Managing Director of the Company be and is hereby authorized to do all acts, deeds and things necessary for giving effect to this resolution.

### Special Business:

To consider and, if thought fit, to pass the following resolutions

### AS ORDINARY RESOLUTIONS:

3. RESOLVED THAT Shri Prakash V. Page, who was appointed by the Board as an Additional Director of the Company pursuant to section 260 of the Companies Act 1956 read with Article 82 of Articles of Association of the Company on 1<sup>st</sup> December, 2008 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby confirmed as Director of the Company.
4. "RESOLVED THAT, the consent of the members be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose: provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 25000 Crores (Rupees twenty five thousand Crores ) Only.



“Resolved Further that, the Board of Directors of the company be and is hereby authorized to and caused to prepare, finalize, approve and execute on behalf of the Company, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and to do all such acts, deeds and things necessary to give effect to the foregoing resolution.”

By the order of Board of Directors

**Rahul Dubey**  
**Company Secretary**

Place: Mumbai

Date: 25 /11/09

\* Accounts were adopted in adjourned AGM dated 11th May 2010.

### Notes:

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956, in respect of Special Business under item no 3 & 4 is annexed hereto and forms an integral part of this notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his behalf on a poll only, and the proxy need not be a member of the Company.
3. The Companies Act, 1956 provides that in case of a Government Company, the Comptroller and Auditor General of India shall appoint/re-appoint the Statutory Auditors of the Company u/s 619(2) of the Companies Act 1956. Further the remuneration of the Statutory Auditors of a Govt Company will be fixed by the members of the Company in the General Meeting or in such a manner as General Meeting may determine.  

Maharashtra State Power Generation Co. Ltd.

In pursuance of the above as per section 224 (8) (aa) read with section 619 (2) of the Companies Act 1956, the members are requested to fix remuneration Rs 16.50 lakhs , subject to service tax , to the Statutory Auditors of the Company, in respect of Company's financial year, commencing from 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010. Further the above remuneration will be in addition to reimbursement of out of pocket expenses upto a limit of Rs.2 lakhs, as set out in ordinary resolution.
4. All documents referred to in the notice are open for inspection at the registered office of the Company during office hours till the date of this Annual General Meeting.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

### Item no 3

Shri Prakash V. Page was appointed as an additional Director of the Company w.e.f 1<sup>st</sup> December, 2008 by the Board. In the terms of provisions of section 260 of the Companies Act 1956 a Director appointed by Board as additional Director hold his office up to the date of next Annual General Meeting of the Company and his appointment needs to be confirmed by shareholders of the company as a regular Director. Therefore, the resolution for confirmation of appointment of Shri Prakash V. Page as a Director of the Company is placed before the members.

The Board has recommended the passing of this resolution. None of the directors except Shri Prakash V. Page is interested in the resolution.

### Item no 4

The approval of members by passing ordinary resolution is required for borrowing in excess of paid up capital and free reserves of the company. At present paid capital and reserves are Rs 2959.38 Crs and total borrowing limit sanction by the shareholder of the company in the meeting held on 23.9.05 is Rs 11500 Crs which is likely to be exceeded due to fresh borrowing to be made by the Board of Directors for upcoming new projects of the company. It is therefore proposed to authorize Board of Directors of the company to borrow money up to Rs 25000 Crs

By the order of Board of Directors

**Rahul Dubey**  
Company Secretary

Place: Mumbai

Date: 25 /11/09

MAHAGENCO  
Maharashtra State Power Generation Co. Ltd.

## DIRECTORS' REPORT

### Dear Members

Your Directors are pleased to present the 4th Annual Report and the audited accounts for the year ended 31st March 2009.

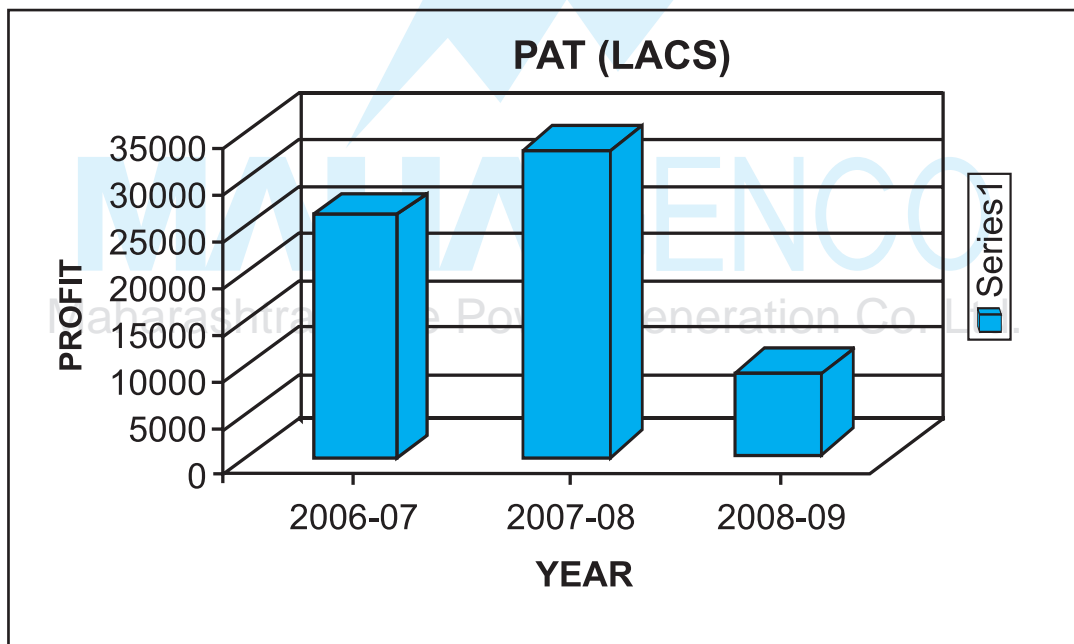
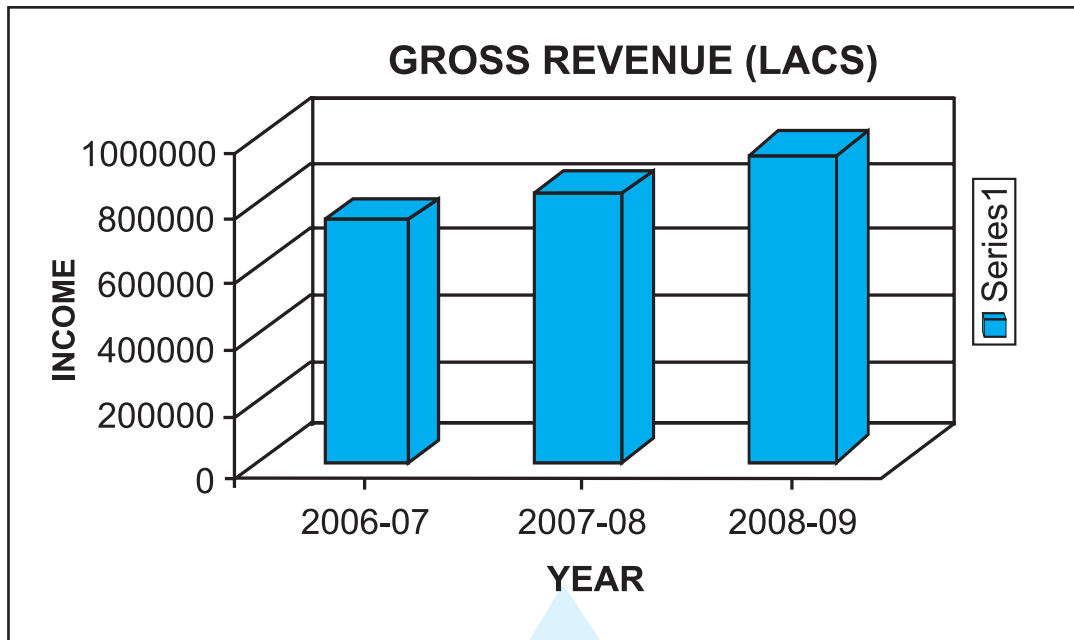
### FINANCIAL RESULTS

(Rs in lacs)

	2008-09	2007-08
<b>Income</b>		
Revenue from Sale of Power(net)	934649.36	808197.22
Other Income	13263.86	16677.43
<b>Gross Income</b>	<b>947913.22</b>	<b>824874.65</b>
<b>Expenditure</b>		
Cost of Fuel	715624.99	599810.32
Generation, Admn. & other Exp	87493.39	84928.04
Employee Cost	63012.10	47486.91
Depreciation/ amortization	30753.29	20654.85
Interest & Finance Charges	44835.25	12060.07
Net Profit before tax, provisions & prior period adjustments	6194.20	59934.46
<b>Tax</b>	<b>(1134.06)</b>	<b>22196.66</b>
Profit after tax but before prior period adjustments	7328.26	37737.80
Less Prior Period adjustments	1081.25	7734.77
<b>Net Profit after tax</b>	<b>8409.51</b>	<b>30003.03</b>

### FIANANCIAL PERFORMANCE

Total Income of the company for the year increased by 14.91 % to Rs 947913.22 lacs from Rs 824874.65 lacs during the previous year. The Profit after tax but before provision and prior period adjustments has gone down to Rs 7328.26 lacs from Rs 37737.80 lacs. The overall fuel cost was increased by 19.31% as compared to 10.17% previous year, Generation & Admn exp by 3% as against 25 % last year and Employee cost by 32.69% over the pervious year. The Net profit after tax dropped to Rs 8409.51 lacs from Rs 30003.03 taking a hit of 72 % over last year



## DIVIDEND

In view of huge capacity addition plans of the company there is a substantial requirement of funds for future generation projects of the company to overcome the power shortage being faced by the State, Accordingly your Directors have decided to plough back the surplus generated into the ongoing expansion projects and hence not recommended dividend for the year under review.

## OPERATIONAL PERFORMANCE

The total Installed Capacity of Mahagenco is 10121 MW and derated capacity is 9996 MW as on 31<sup>st</sup> March 2009.

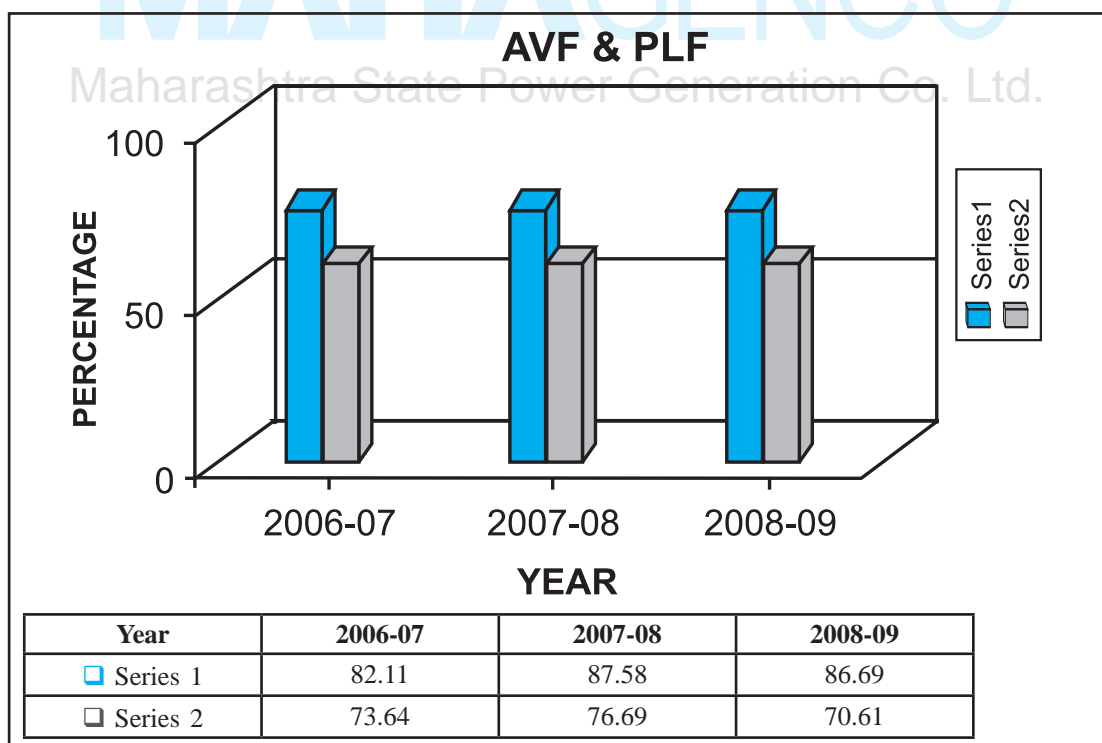
The total power generation of the company for the year 2008-09 was 50398 MU's as compared to 52294 MU's for the year 2007-08. Out of which thermal power generation was 42060 MU's as against 43958 MU's for the previous year. Generation from Gas based power stations for the current year was 4431 MU's as compared to 3729 MU's for the previous year. Generation from Hydro power projects for the year was 3905 MU's as against 4606 MU's for last year.

During the year 2008-09, for coal-fired plants, the average availability factor was 86.69%( 87.58%)\* . The plant load factor was 70.61% ( 76.99%). The overhaul of 24 units was taken up during 08-09 as against overhaul of 26 units during 07-08. The planned outage & forced outage factor for the year 08-09 was 8.41% & 4.90% as against 7.95% & 4.47% for 2007-08. The AVF & PLF of Mahagenco for the year 2008-09 (excluding New Parli and Paras units of 250 MW each was 88.43% & 72.44% respectively, while Planned outage and forced outage was 8.41% and 4.90 % respectively. For gas based plants, average availability was 98.71% (97.02%) and PLF was 59.38% (49.84%). The total generation from new 250 MW at Parli and Paras (commissioned in FY 2008-09) for current year was 2080 MUs.

The other operational performance factors are as below:-

The Realization of Coal for the current year was 88.11% as against 91.08% of previous year. Specific coal consumption for the current year was 0.828 Kg/ Kwh as against 0.796 Kg/ Kwh of previous year. The Boiler tube leakage percentage for the current year was 2.38% as against 2.94% of previous year. Specific oil consumption for the current year was 4.12 ml/Kwh as against 1.78ml/Kwh of last year. The auxiliary consumption was 9.49% as against 8.78% of last year. The average gross calorific value of coal fired during the year was 3455 Kcal/Kg. The heat rate for the current year was 2898 Kcal/Kwh. The transit loss for the current year was 0.96% as against 0.43% for last year.

\*(Previous Years Figure)



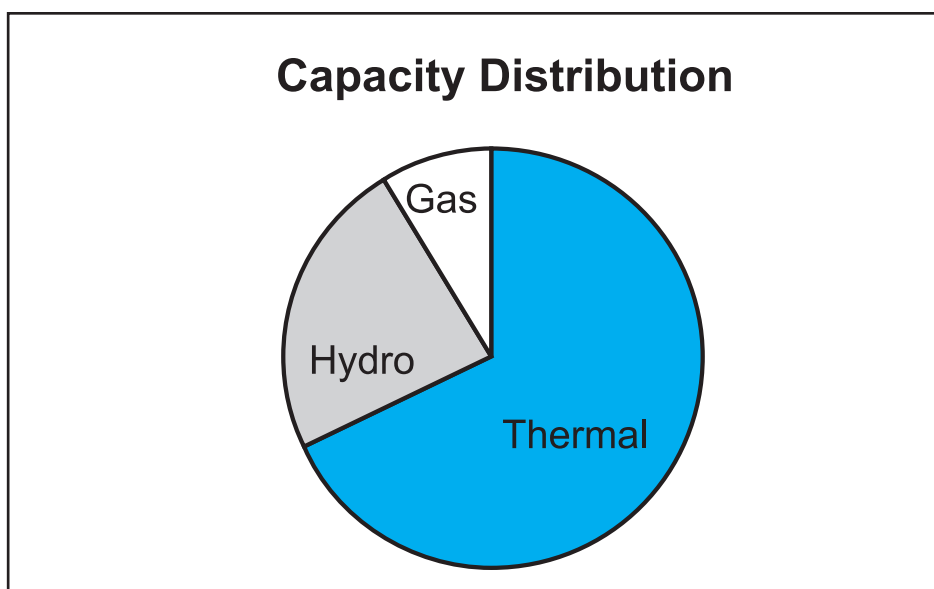
### Analysis of Performance of Power Stations for 2008-09 vis a vis 2007-08

Sr. No	Particulars	2007-08	2008-09	Reasons
1	Generation (MU)			
	Thermal	43958.276	42060.553	During 2008-09, gen.loss due to less coal- 1129 MU & due to wet coal – 1226 MU. During 2007-08, gen. loss due to less coal- NIL & due to wet coal- 835 MU. Further during 2008-09, there was CHP coal stream problems at C'pur, vibration problem of Parli-6, ash evacuation problem of Paras-3, Koradi U-4 prolonged outage for gen. rotor earthfault rectification work.
	Gas	3729.974	4431.787	Additional RLNG gas was tied up during 2008-09 (128.33 MMCM).
	Hydro	4606.207	3905.851	During 2007-08, due to additional water for flood control, gen. was more.
	<b>Total</b>	<b>52294.457</b>	<b>50398.191</b>	
2	Plant load factor (%) (Th)	76.99	70.61	PLF was less due to less gen. on account of above mentioned factors at S. No. 1.
3	Availability factor (%) (Th)	87.58	86.69	AVF was less due to more pl. outages and forced outages. Planned outages (07-08)- 7.95% and (08-09)- 8.41%. Forced outages (07-08)- 4.48% and (08-09)- 4.90%
4	Sp. Oil consumption (ml/kwh)	1.78	4.12	More oil consumed due to wet coal problems due to heavy rains in mining region & Vidarbha during last week of July'08 and partial loading of units due to loading constraints.
5	Sp. Coal consumption (kg/kwh)	0.80	0.83	Marginal increase.
6	Aux. consumption (%) (Th)	8.78	9.49	Aux. cons. Increased due to less gen. & partial loading of units.

### INSTALLED CAPACITY

The Company owns Thermal Power Stations at seven locations across the state, one Gas Turbine Power Station & 24 Hydro Power Stations which are in operation having following total generation capacity as on 31.3.2009.

Type	Capacity
Thermal	6800 MW
Gas	852 MW
Hydro	2344 MW
Total	9996 MW



## CAPACITY ADDITION PROGRAMMES

For meeting the power demand in the state of Maharashtra, Mahagenco is taking up implementation of various thermal power projects.

**A) Ongoing Projects (Capacity addition : 4770 MW): During the year following two projects were under implementation**

**1. Parli TPS Unit 7 (250 MW):**

Order for main plant equipment has been placed on M/s. BHEL on 31.08.06 (Zero date). During the year 2008 -09, the following major milestones have been achieved:

Sr. No.	Major Milestone	Achieved on
1	Boiler Drum Lifting	15.04.08
2	Commencement of Condenser erection	15.07.08
3	Commencement of TG erection	25.09.08
4	Stator Lifting	01.11.08
5	Hydraulic test-drainable	17.12.08
6	Hydraulic test Non drainable	04.07.09
7	Boiler light up	12.07.09
8	Oil Flushing start	06.08.09
9	Alkli Boil out and acid cleaning	13.08.09
10	Boxing up of generator	17.08.09
11	Steam Blowing	19.10.09

Further works on the project are in progress. The trial operation expected by 31.12.09.

## 2. Paras TPS Unit 4 (250 MW):

Order for main plant equipment has been placed on M/s. BHEL on 31.08.06 (Zero date). During the year 2008-09, the following major milestones have been achieved:

Sr. No.	Major Milestone	Achieved on
1	Boiler Drum Lifting	15.05.08
2	Commencement of Condenser erection	18.08.08
3	Commencement of TG erection	22.09.08
4	Stator Lifting	21.11.08
5	Hydraulic test-drainable	18.02.09
6	Hydraulic test Non drainable	02.07.09
7	Boiler light up	03.07.09
8	Oil Flushing start	22.07.09
9	Alkali Boil out and acid cleaning	23.07.09
10	Boxing up of generator	30.08.09

Future works on the project are in progress. The trial operation expected by 30.01.2010.

## 3. Khaperkheda TPS Unit 5 (500 MW) :

Order for main plant equipment has been placed on M/s. BHEL on 23.01.07 (Zero date). Order for balance of plant has been placed on 03.07.07 on M/s BGR Energy Systems Ltd. During the year 2008-09, the following major milestones have been achieved.

Sr. No.	Major Milestone	Achieved on
1	Boiler Drum Lifting	28.11.08
2	Commencement of Condenser erection	28.03.09
3	Commencement of TG erection	15.04.09
4	Stator Lifting	24.10.09

Further works on the project are in progress. The trial operation is scheduled by July, 2010.

## 4. Bhusawal TPS Unit 4 & 5 (2 x 500 MW):

Order for main plant equipment has been placed on M/s. BHEL on 23.01.07 (Zero date). Order for balance of plant has been placed on 05.11.07 on M/s Tata Projects Ltd. During the year 2008-09, the following major milestones have been achieved:

Sr. No.	Major Milestone	Achieved on
1	Commencement of Boiler erection	03.08.08 (Unit-5)
2	Boiler Drum Lifting	09.01.09 (Unit-4)
3	Commencement of condenser erection	14.03.09 (Unit-4)
4	Boiler drum lifting	20.04.09( unit 5)
5	Commencement of TF erection	30.04.09(unit 4)

Further works on the project are in progress. The trial operation of Unit 4 is scheduled by October, 2010 followed by Unit 5 by February, 2011.

Government of Maharashtra has approved the above projects vide Government Resolution no. vi ni k 2005 / Pra. Kra. 2044 / Oorja-4 dated 12.05.06.

**5. Chandrapur TPS Unit 8 & 9 (2x500 MW) :**

During the year, order for main plant equipment has been placed on M/s. BHEL on 25.07.08. Zero date: 09.02.09. The Order for Balance of Plant Package is placed on M/s BGR Energy Systems Ltd in June 09.

The trial operation of Unit 8 is scheduled by July, 2012 followed by Unit 9 by October, 2012

Government of Maharashtra has approved the project vide Government Resolution no. Project – 2007/ Pra. Kra. 1106/ Urja-4 dated 05.03.08.

**6. Parli TPS Unit 8 (1 x 250 MW – against existing 2 x 20 MW derated capacity units, net capacity addition : 210 MW).**

During the year, order for main plant equipment has been placed on M/s. BHEL on 20.01.09 (Zero date). NIT for balance of Plant package with revised qualification requirement, excluding Natural Draft cooling Tower from its scope is issued on 31.8.09. NIT for NDCT is also issued on 09.09.09.

The trial operation is scheduled by January, 2012.

GOM has approved the above project vide letter no. prakalpa- 2008/ pra.kra. 1491/ Urja-4 dt. 29.01.09.

Thus, Mahagenco will be adding 500MW capacity during fiscal 2009, 1500 MW during fiscal 2010 and another 1210MW during fiscal 2012.

**7. Koradi TPS unit 8,9,10 ( 3X660MW- Unit 8 is against existing 2X105 MW derated capacity units – Net capacity addition 1560 MW)**

Order for boiler & Turbo Generator package has been placed on M/s L&T on 23.09.09. Further works on the project are in progress. The trial operation of unit 8 is scheduled by 23.12.2013 followed by unit 9 by 23.6.2014 and unit 10 by 23.12.2014.

Govt of Maharashtra has approved the project vide Govt resolution no Project -2008/prakra /1189/ urja -4 dated 14.10.08.

**B) Future Project Proposal (Capacity addition: 4965 MW):**

**1. Bhusawal TPS Unit 6 (1 x 660 MW against existing 1 x 55 MW capacity unit – Net capacity addition : 605 MW)**

Giving due consideration to the protest by the land owners at Paras, the proposal for setting up of 1X250 MW capacity set as replacement unit at Paras is dropped. However, as the tendering process for main plant equipment for this project has already been completed, this project is being shifted to Bhusawal TPS where land acquisition process is almost completed. The land under acquisition is adequate to accommodate the said set. Now it is proposed to take up one unit of 660 MW against 2X250MW sets.



## 2. Dondaicha TPS unit 1&2 (2X660MW)

Preliminary activities for acquisition of land are in progress. As per planning order for main plant is expected by Oct 2010. To this extent, the trial operation of unit 1 is planned by Jan 2015 followed by unit 2 by July 2015. Land required for the project is identified and the local people are ready for surrendering the land at Govt. approved rates. Water source is available from Sarangkhedda Dam through Nimna Tapi project about 20 KM from site. GOI has already approved coal linkage for 2500 MW power projects in Dhule & Nashik District through Chedipada Coal Block in Orissa to be developed jointly by Maharashtra, U.P. & Chhattisgarh. Out of total 1588.99 MMT, share of MahaGenCo is 294.5 MMT which would be sufficient for 2x660 MW for 30 years.

## 3. Dondaicha TPS unit 3,4&5 (3X660MW)

The capacity of Machchakata coal block was initially worked out as 30 MTPA considering the requirement of Mahagenco and GSECL for upcoming projects. However the Ministry of coal had directed to develop Machchakata and Mahanadi as one mine and in that case the available reserves shall be much more than the estimated one. MoC has therefore recommended that the mine can be considered for 50 MTPA. For tapping this additional availability of coal, Mahagenco is planning to go for expansion of Dondaicha TPS with addition of 3 units each of 660 MW as unit 3, 4, and 5. As per present planning, order for main plant is expected by April 2011. To this extent, the trial operation of unit 3 is planned by July 2015 followed by unit 4 by Jan 2016 and unit 5 by July 2016.

## 4. Uran GTPS Unit 9 & 10 (1220 MW)

Letter of Award is expected by May 2010 subject to availability of adequate gas at reasonable price. The trial operation of Unit 9 (814 MW) is planned by August, 2012 followed by Unit 10 (406 MW) by Nov, 2012. Exploration for gas availability is in progress.

Government of Maharashtra approved the project vide letter no. ViNiPra-2005/ Pra. Kra. 1967/ Urja – 7 dated 01.06.05 for installation of 1040 MW capacity. Matter taken up for approval of 1220 MW capacity.

## SUBSIDIARIES AND JOINT VENTURES

**Mahaguj Collieries Ltd.** – The company is a joint venture between your company and Gujarat State Electricity Co Ltd. for captive mining of coal blocks at Machchakata. The Company has appointed Mine Developer cum Operator for executing the project. The vital preliminary activities like acquisition of land, various Govt clearances has been started. Coal Supply Agreement between Mahaguj Collieries Ltd and MDO and FSA between Mahaguj Collieries Ltd and JV Partners i.e. Mahagenco and GSECL is expected in current year. The Ministry of Coal, GoI has permitted coal rejects from the above project to be used by qualified third party ( including MDO) for power generation at the pit head. The power so generated shall be used by M/s Mahagenco and GSECL. Therefore it is proposed to have coal reject based power station at pit head. The modalities of execution of the same are being worked out. Considering the availability of coal reserves the Ministry of Coal has directed to increase the Mine capacity of Machchakata coal block from 30 MTPA to 50 MTPA. Accordingly Board of Mahaguj Collieries Ltd has approved increase in capacity of Mines from 30 MTPA to 50 MTPA. Mahagenco will utilize this additional quantity of coal for expansion of its proposed 2X660MW Dondichcha TPS by addition of 3 more units of 660MW each.

**Aurangabad Power Co. Ltd.& Dhule Thermal Power Co. Ltd.** – These companies have been incorporated to implement various Thermal Power Projects as green field project under case-2 as per the guidelines of Ministry of Power Government of India. Aurangabad Power Co Ltd has been transferred to ‘Procurer’ M/s MS Electricity Dist Co Ltd.

**UCM Coal Company Ltd.** – The UCM coal Company Ltd is a JV company between your company and Uttarpradesh Rajya Vidyut Utpadan Nigam Ltd. (UPRVUNL) and Chattisgarh Mineral Development Corporation (CMDc) to share the output of Coal to be generated from Chendipada and Chendipada II coal blocks. The share of Mahagenco of these blocks shall be used for (2X660 MW) Supercritical Power Projects at Dondicha.

## **INITIATIVES TAKEN FOR NON COVENTIONAL ENERGY RESOURCES (SOLAR BASED POWER PLANT)**

In view of huge potential of solar based power Mahagenco has decided to install Solar Energy (PV) based 1 MW capacity power plant as per the guidelines issued by Ministry of New and Renewable Energy (MNRE), dept of Non conventional Energy Sources, Govt of India as a demonstration project. Order for development of 1 MW Grid interactive solar PV ( Photo voltaic) Power project at Chandrapur STPS premises has been placed on M/s Moserbaer India Ltd., New Delhi on 11.6.09. The commissioning of the project is expected by March 2010.

## **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 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. The 20 % equity will be mainly come from the Government of Maharashtra.

## **CREDIT RATING**

Credit Rating of long term and short term finances of the company was assigned to M/s Credit Analysis & Research Ltd. (CARE). The long term finances of the company has been assigned credit rating “A-“ i.e. **low credit risk rating** and the short term facilities were assigned “PR1” i.e. **strong capacity for timely payment for short term obligations and carry lowest credit risk.**

## **FUEL SECURITY**

Your company is heavily dependent on coal for power generation. Adequate, timely and quality coal is very essential for uninterrupted power generation from power stations. Your Company has obtained long term coal linkages for its Phase I expansion projects from the various subsidiary companies of Coal India Ltd. Besides, the company has been allocated Machchakata & Mahanadi coal blocks in the state of Orissa jointly with Gujarat State Electricity Co Ltd. Coal to be extracted from these blocks will be used for Phase II & Replacement projects of the company. Your company has also been allocated Chendipada and Chendipada II coal block jointly with Uttarpradesh Rajya Vidyut Utpadan Nigam Ltd and Chattisgarh Mineral Development Co Ltd.

To overcome the shortage of supply the company has resorted to import 2.0 MMT of non-coking (Steam) coal of foreign origin for Nashik, Bhusawal, Parli, Khaperkheda, Koradi and Chandrapur TPS. In addition to this, your company also imported 0.38MMT non-coking (Steam) coal of foreign origin for Parli, Khaperkheda and Chandrapur through short-term tender.

Your company has also signed Gas Supply and Purchase Agreement (GSPA), with M/s Reliance Industries Ltd (RIL) for supply of 0.93 MMSCMD natural gas from its field in the Krishna Godavari (KG) basin at \$ 4.205 per MMBTU at ex-Kakinada (AP)

## **NEAR TERM STRATEGIES**

In order to meet the demand of coal for power stations your company has also decided to procure 1.0

MMT of indigenous coal over and above ACQ from e-auction quota from M/s SCCL at an additional price of Rs 950/- per MT offered by M/s SCCL over and above negotiated price.. Coal receipt under e-auction for the year 2008-09 is nil and for the year 2009-10 (up to Oct 09) is 330 Th MT from M/s Singarini Collieries Co Ltd.

## **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. Your Company is in the mode of massive expansion which requires trained manpower to man the machines. As per manpower planning till 2012, 980 posts are being filled in and accordingly the process is on the way. Implementation of performance appraisal system and introduction of transparent policy on transfer would enhance the confidence in the minds of the employees of the Company. Total sanctioned employees strength of the company was 15249 as on 31.3.09.

## **INDUSTRIAL RELATIONS**

Employee relations in the Company continued to be cordial and harmonious by and large 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. The new pay revision agreement has been executed between the Management & trade unions which is effective from April 08.

None of the employees drew remuneration of Rs. 24,00,000/- or more per annum /Rs. 2,00,000/- per month during the year. This information is furnished as required under section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules,1975

## **RESERVATION FOR SC, ST & OBC**

Your company is following the instructions relating to reservation of post for SC, ST & OBC's in service as per the directives of Government of Maharashtra issued from time to time for recruitment and promotion of employees.

## **TRAINING AND DEVELOPMENT**

In consonance with corporate vision of being the best and most efficient state of art generating utility in the country, your company facilitates the development of all-round competence of its people. The company has its own two training centers. Koradi and Nashik training centers where induction level training and other training and executive development programs relating to various facets of operation and maintenance of power plant are organized. Your company has also established 7 training sub-centers and they will be catering to the needs of their power stations. In addition the company also arranges need based training programs at “Yashda” Pune, ESCI, Hyderabad, BHEL, World Bank, NPTI and other agencies which covers different aspects of O&M, MDP, Industrial Security, Project management and Behavioral science etc. During the year total 80 training programs were conducted for different participants.

## **USE OF MARATHI LANGUAGE**

Your company has taken concentrated efforts to encourage the use of Marathi in day to day working and

all Government correspondence. The Annual Reports and statutory reports are compiled in Marathi language.

## **TARIFF REGULATORY CELL**

The Regulatory cell has been restructured as “Regulatory and Commercial Department” to carry out the duties & functions required under Central and State Regulatory Commission and the matters connected thereto. The newly re-structured Regulatory & Commercial dept (RCD) also takes care of the matters concerned with Power Purchase Agreement (PPA), exploring the possibilities of sale of power to other prospective buyers, evaluating the options to monetize the excess power, Electricity Billing to Customers etc. This Dept files Aggregate Revenue Requirement with Maharashtra Electricity Regulatory Commission (MERC) for approval of Tariff. Petition for Annual Performance Review for the Year 2008-09 and Tariff 2009-2010 was submitted to MERC. The order from MERC is received on 17.7.09. Two separate petition of Tariff determination for Parli Unit 6 and Paras unit 3 were filed before MERC. The order of Paras Unit no 3 petition is awaited while parli Unit 6 has been ordered on 21.10.09.

As per directives of Hon’ble Appellate Tribunal for Electricity (Delhi ); MERC deployed Central Power Research Institute (CPRI) as independent agency to study and reset achievable operational parameters of MSPGCL’s Thermal Power stations. Tests for all power stations are complete & reports have been submitted by CPRI to MERC.

## **ENVIRONMENT, HEALTH AND SAFETY**

Your company has taken concentrated efforts in many areas for preservation of elements of environment. Some of these are as follows;

### **Tree Plantation & Green belt Development**

M.S.P.G.C.L. has undertaken the scheme of forestation in various Thermal Power Stations. Proper care is being taken for the growth of these tree plants and **about 28 lacs trees were planted till 31.3.2009** in all TPS. As per MPCB norms full green belt has been developed at all TPS. 50 thousand trees were planted in the financial year 2008-09.

### **Stake Emission**

As per set objectives, MSPGCL has carried out augmentation of ESPs for complying with SPM regulations for 17 old units. For complying with SPM regulations in respect of remaining 10 old units, MSPGCL has decided to install flue gas conditioning system with Ammonia Injection. Accordingly AFGC system is commissioned for Koradi unit 7 and is under observation. After observing performance of the Koradi Unit 7 installation work at other units will be done.

Proposal for signing Memorandum of Understanding with M/s BHEL for carrying out the ESP retrofitting work to achieve new emission norms of set by Maharashtra Pollution Control Board is under process.

### **Ambient Air Quality**

Ambient air quality is monitored regularly at various TPS and is observed within the limits prescribed by MPCB.

### **Environment, Health and Safety Audit**

Environment, Health and Safety Audit was carried out in 2004-05 by Central Labour Institute, Mumbai

(Govt of India) at all TPS & recommendations are being implemented. Internal Audit of all TPS for the year 07-08 is carried out.

### Ash Utilization

The Ash Utilization by Mahagenco has been enhanced during previous 4 years as below:

Year	Ash Utilization %
2004-05	15.95
2005-06	24.10
2006-07	27.00
2007-08	30.60
2008-09	43.23

Paras achieved 80.50 %, Bhusawal 74.80% and Khaperkheda TPS 53.86 % ash utilization in the year 2008-09.

### Research Projects for promoting ash utilization from Thermal Power Stations

#### Mine Filling-

Stowing of ash about 100000 cu mt will be done in Durgapur underground mine with the help of TIFAC and WCL at CSTPS. M/s WCL is insisting on equal sharing of entire project between 3 participants by M/s. TIFAC with WCL.

#### Effluent Treatment Plant

MAHAGENCO has commissioned ETPs at its various TPS and the effluents generated from the process are treated for recycling. The yearly average for % of recycled water is as below:

1.	Bhusawal	37.52%
2.	Chandrapur	35.53%
3.	Koradi	56.08%
4.	Khaperkheda	88.45%
5.	Nasik	70.06%
6.	Parli	37.12%
7.	Paras	31.17%

### Status of Environmental Clearance of new projects from MoEF

- A) Environmental clearance for 1x250 MW Bhusawal replacement, 1x250 MW Parli replacement & 2x500 MW Chandrapur expansion project granted on 28.08.08, 09.09.2008 & 30.09.2008 respectively
- B) MPCB clearance for "Consent to Establish" granted for:-
- 1x250 MW Bhusawal replacement project on 21.08.2008

- 1x250 MW Parli replacement project on 21.08.2008
- 2x500 MW Chandrapur expansion project 30.12.2008
- C) Getting Environmental Clearance for following project is in process:-
  - 1x250 MW Paras replacement project.
  - 2x660 MW Dondaicha Power Project.
  - 1x660 MW Yawatmal Power Project.

### **IT INITIATIVES**

#### **A) Separate LAN setup for Mahagenco:**

Previously Mahagenco was using MSEDCL's LAN setup to share Internet and other resources. Mahagenco has setup its own LAN in March 2008 on 2<sup>nd</sup> and 3<sup>rd</sup> floor. Approximately 200 PC's are in Mahagenco LAN and 150 users are using Internet through LAN. Mahagenco has 2 Mbps leased line for Internet.

#### **B) Activities related to GCR (Generation Control Room):**

Using modern IT based services to establish full-fledged Generation Control Room at Corporate Office, Prakashgad, Bandra, Mumbai. This is envisaged to monitor various online real-time parameters from different generating stations for performance, diagnosis and optimization with suitable connectivity between each power station and Head Office at 'Prakashgad', Bandra, Mumbai.

#### **The Objectives of control room are:**

- a) To enable the central monitoring of relative efficiency and cost of production from different plants.
- b) To acquire data from energy meters installed at points of export to the grid.
- c) To enable Generation Control Room to provide dispatch instructions to individual stations such that revenues are maximized and operating costs are minimized.
- d) To enable access of up-to-date information about units and plants across all locations of MSPGCL.

Generation control room has been set up at Prakashgad Mumbai, almost all the hardware is installed and commissioned, most of the work of data capturing from power plants is also completed. Application software has been loaded and Performance module and ABT module of the software is under test. Target date for utilization of the GCR is March 2010.

#### **C) Activities related to SAP:**

Mahagenco is currently in the process of implementing an Enterprise Resource Planning (ERP) package covering maximum possible process at all locations of the organization. ERP is expected to help our company to achieve improved and faster exchange of information, improved productivity and reduction of costs, better data consistency, knowledge sharing and unification of planning and budgeting process. Target date of full implementation of SAP is Dec 2011.



**D) Activities related to Software development at HO:**

Following software were developed at Head Office, Prakashgad.

**A. Coal Manager:**

Coal Manager is a web based Coal management utility application with following features.

1. Monthly coal linkage.
2. Tracks daily coal received from different mines.
3. Gives Status of daily coal stock at each power plant.
4. Rake (Train) Tracking System- Utility to identify position of the rakes which are under transition for MAHAGENCO from different coal mines.
5. Report Generation of Linkage Vs Received Coal and Stock status at each power plant.
6. Supports decision making based on reports generated. Generate Alerts and sends email on different alert conditions.
7. Rake status maintained by continuous interaction with Indian railways for all the rakes (trains) running for MSPGCL.

**B. Boiler Tube Leakage Manager**

Web base utility for maintaining history of Boiler tube leakage failures.

Covering following moduels.....

1. Maintaining Boiler Tube leakage failures.
2. Reports Generation.
3. Graphs- Graphical representation of historical data of boiler tube leakage failures and on the basis of Generation loss.
4. Supports decision making based on reports and graphs generated.
5. Can be useful in locating major causes for BTL failures.

**E) Software developed as per need:**

IT department has developed other software as per need of other Departments.

1. HBA- Prepared in excel for calculating monthly installment for house building allowance.
2. Income Tax Calculation software.
3. Design and implemented new website for Mahagenco.
4. Developed Intranet & Head Office, Prakashgad.

5. Knowledge based forum & e-magazine is under development.
6. Training data manager for maintaining training data information.
7. Prepared centralized data for all Power Stations.
8. Mobile client for coal module.
9. Changes in PPMS as per need.
10. Report generating, Data entry application for Fuel Management Cell developed.

## DIRECTORS

During the year Shri Rahul Asthana , Pr. Secretary (Energy), GoM ceased to be , Director of the Company. w.e.f.26.08.08 consequent upon his transfer to other Dept. Shri V.T.Bapat, Director (Projects) ceased to be Director of the Company on completion of his tenure as Director (P) w.e.f 13.03.09.

During the year Shri P.V.Page was appointed as Independent Director (Finance Expert) of the Company w.e.f 1<sup>st</sup> December 2008 Shri P.V.Page has been appointed as Chairman of Audit Committee by Mahagenco Board. Shri C.S.Thotwe was appointed as Director (P) in place of Shri V.T.Bapat w.e.f. 31.08.09.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri Rahul Asthana & Shri V.T.Bapat during their association with the Company. The Board heartily welcomes the new members.

## AUDIT COMMITTEE

An Audit Committee of Mahagenco has been constituted. The members of Audit Committee are Shri P.V. Page, Chairman , Shri G.J.Girase, Director (F) and Shri M.R.Shelar Director (O). Total 3 Meetings of the audit committee were held during the year.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in preparation of annual accounts the applicable Accounting Standards had been followed with proper explanation relating to material departures; if any
- (ii) that the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give true and fair view of the state of affairs of the company as on 31<sup>st</sup> march 2009 and of the Profit for the year of the company under review;
- (iii) 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 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual accounts were prepared for the financial year ended 31<sup>st</sup> March 2009 on going concern basis.



**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 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 is given in **Annexure ‘A’** forming part of this report

**FIXED DEPOSITS**

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

**INSURANCE**

The properties /assets of the Company are adequately insured.

**COST AUDITORS**

The Company has appointed M/s N.I.Mehta Co. and M/s S.R.Bhargave & Co, Cost Accountants as Joint Cost Auditors for the year ending 31.03.2009 subject to approval of Ministry of Corporate Affairs, Govt. of India.

**AUDITORS**

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s Ford Rhodes Parkes & Co., Mumbai, M/s P.G.Joshi & Co, Nagpur and M/s P.G.Bhagwat & Co., Pune were appointed as Joint Statutory Auditors for the Financial Year 2008-09.

M/s G.M.Kapadia & Co , Mumbai , M/s CVK & Associates, Mumbai and M/s K.S.Aiyar & Co, Mumbai were appointed as Joint Statutory Auditors of the Company for the year 2009-2010 by C& AG, New Delhi.

**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

**(P. Abraham)**  
Chairman

**(Subrat Ratho)**  
Managing Director

Date:

Place: Mumbai

## ANNEXURE A

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD DIRECTORS) RULE 1988:

### ENERGY CONSERVATION:

Following are the Energy saving activities carried out during year 2008-09

- 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.

### AUXILIARY 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.

**TECHNOLOGY ABSORTION & RESEARCH & DEVELOPMENT**

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

**FUTURE PLAN OF ACTION**

- AFGC systems for more units of TPS.
- Installation of online energy management.

## ANNEXURE B

### Replies to Paras raised in Annexure Referred to in paragraph 3 of Auditors Report

Sr. No.	AUDITORS PARAS	M S P G C L's REPLY
1.	a. The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets, i.e., the location of the assets and the link with the physical asset by way of asset number is not maintained. Further, the cost of the assets in the Fixed Assets Register is not tallied with the fixed assets block as per the Balance Sheet.	Detailed procedure for maintaining Fixed Assets register is given in Accounts Code Vol. V, Chapter-V. All units are being instructed to maintain records as per said procedure and shall ensure to reconcile Fixed Assets Register with the fixed assets block as per the Balance Sheet.
	b. As informed to us , the company has a policy of conducting physical verification of fixed assets once in three years, which in our opinion is reasonable commensurate with the size of the company and the nature of its business. The company has last conducted a physical verification of fixed assets in the financial year 2006-07 but the same remains to be reconciled with the fixed asset register.	All field units are being instructed to reconcile fixed assets register with physical verification report.
	c. During the period under audit, the company has not disposed off a substantial part of the fixed assets.	Factual.
2.	a. The physical verification of inventory has been conducted at reasonable intervals by the management.	Factual.
	b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.	Factual.
	c. On the basis of our examination of the records of inventory and the reports of physical verification, we are of the opinion that the company is maintaining proper records of inventory. <i>No material discrepancies other than in respect of coal were observed. The discrepancies observed in respect of coal were adjusted appropriately in the accounts.</i>	Factual.
3.	a. As per the information and explanations given to us, the company has not granted any loans to companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.	Factual.

	b. As per the information and explanations given to us, the company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.	Factual.
4.	In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. <i>However, we have observed weaknesses in internal controls in compiling and maintaining the party-wise and age-wise details of various current liabilities and current assets.</i>	At present age-wise and account code-wise data can be generated through the system.
5.	On the basis of our examination of books of account and according to the information and explanations given to us, the company has not entered into any transaction that needs to be entered into the Register maintained under section 301 of the Companies Act, 1956.	Factual.
6.	In our opinion and according to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed there under. Therefore, the provisions of clause (vi) of paragraph 4 of the aforesaid order are not applicable to the company for the financial year under report.	Factual.
7.	<i>In our opinion and according to the information and explanations given to us, the internal audit system prevailing in the company is not commensurate with the size and nature of its business. The Internal Audit Department of the company, in our opinion, was inadequately staffed and it had not covered sufficient area of operations during the Financial Year 2007-08. However there was an improvement in the coverage of the internal audit as compared to the previous year. Also the company has appointed an external firm of chartered accountants, subsequent to the year end, to strengthen the internal audit function in the coming years.</i>	<p>The Company has a separate Internal Audit Section headed by General Manager (Int. Audit) and assisted by team of 2 AOs, 3 DAs, 1 UDC &amp; 1LDC at Corporate Office.</p> <p>The Internal Audit Section carries out inspections of field offices as well as H.O. During 2007-08, inspections of 26 field offices were carried out. Apart from the work of Internal Audit Section there are well laid down systems of internal checks in almost all areas of working. Important among them are, financial scrutiny of expenditure proposals by Finance Section, internal check of tender cases, audit of LoA / LoI, check of bills of suppliers and contractors, etc. The Internal Audit wing is being strengthened so as to improve the coverage.</p>

8.	<p>We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government, for the maintenance of the cost records prescribed under section 209 (i) (d) of the Companies Act, 1956. We are of the opinion that prima-facie the prescribed records have been maintained. We have, however, not made a detailed examination of the records with the view to determine whether they are accurate and complete.</p>	Factual.									
9.	<p>a. According to information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and other statutory dues applicable to it.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, were outstanding, as at the balance sheet date for a period of more than six months from the date they became payable.</p>	Factual.									
	<p>b. According to the records of the company, there are no dues of Income Tax / Sales Tax / Service Tax / Custom Duty / Wealth Tax / Excise Duty / Cess, which have not been deposited on account of any dispute, except:</p> <table border="1"> <thead> <tr> <th>Nature of dues</th><th>Amount unpaid (Rs. Lakhs)</th><th>Forum where dispute remains</th></tr> </thead> <tbody> <tr> <td>Excise duty</td><td>186.66</td><td>Commissioner of Central Excise</td></tr> <tr> <td>Professional Tax</td><td>11.58</td><td>Assistant Commissioner (Appeals)</td></tr> </tbody> </table>	Nature of dues	Amount unpaid (Rs. Lakhs)	Forum where dispute remains	Excise duty	186.66	Commissioner of Central Excise	Professional Tax	11.58	Assistant Commissioner (Appeals)	Factual.
Nature of dues	Amount unpaid (Rs. Lakhs)	Forum where dispute remains									
Excise duty	186.66	Commissioner of Central Excise									
Professional Tax	11.58	Assistant Commissioner (Appeals)									
10.	<p>There are no accumulated losses in the company at the end of the financial year. As per the books of account of the company, it has not incurred any cash losses during the financial year and in the immediately preceding financial year.</p>	Factual.									

11.	Based on our audit procedures and on the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.	Factual.
12.	According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	Factual.
13.	In our opinion, and to the best of our information and according to the explanations given to us, we are of the opinion that the company is neither a chit fund nor a nidhi / mutual benefit fund / society. Hence, in our opinion, the provisions of clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the company.	Factual.
14.	As per the records of the company and the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the aforesaid order are not applicable to the company.	Factual.
15.	According to the records of the company and the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and / or financial institutions.	Factual.
16.	In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed during the year have been applied for the purposes for which they were obtained by the company.	Factual.
17.	According to information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.	Factual.
18.	During the financial year, the company has not made any further issue of share capital and hence the question of preferential allotment to parties and companies covered in the Register maintained under Section 301 of the Act does not arise.	Factual.



19.	<i>The erstwhile Maharashtra State Electricity Board has created security in respect of the Debentures issued by them which were subsequently transferred to the company on June 06, 2005 as part of the transfer scheme but the same has not been registered with the Registrar of Companies.</i>	Factual.
20.	The company has not raised any money by public issue during the period under audit. Accordingly the provisions of clause (xx) of paragraph 4 of the aforesaid order are not applicable to the company.	Factual.
21.	The company has not informed us of any fraud on or by the company, noticed or reported during the financial year. During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices, we have not noticed any fraud on or by the company, during the financial year.	No frauds have been reported / detected during 2008-09.



## Balancesheet as on 31<sup>st</sup> March, 2009

Particulars	Schedule No.	31-Mar-09 Rs.	31-Mar-08 Rs.
<b>I. Sources of Funds</b>			
(I) Shareholders funds :			
(a) Share Capital	1	25,000,500,000	500,000
(b) Share Capital suspense A/c. (Refer Note No.5(i))		633,633,537	25,633,633,537
(c) Share Application money pending allotment		9,640,000,000	5,500,000,000
(d) Reserves and surplus	2	4,593,367,277	3,752,415,395
(2) Loan funds :			
(a) Secured loans	3	85,388,071,330	50,281,493,715
(b) Unsecured loans	4	2,214,251,796	2,530,501,992
(3) Deferred tax liabilities (net)		3,839,236,624	4,073,842,497
<b>Total</b>		<b>131,309,060,564</b>	<b>91,772,387,136</b>
<b>II. Application of Funds</b>			
(1) Fixed assets :			
(a) Gross Block	5	132,701,091,529	114,783,834,644
(b) Less : Depreciation		71,714,987,501	68,823,657,514
(c) Net Block		60,986,104,028	45,960,177,130
(d) Capital work - in progress		61,135,940,102	36,908,629,414
(2) Investments	6	1,600,100	1,800,100
(3) Current Assests, Loans and Advances	7		
(a) Inventories		8,254,255,670	6,852,417,466
(b) Sundry Debtors		26,863,957,116	17,746,074,739
(c) Cash & Bank Balances		1,901,814,548	133,142,193
(d) Loans and advances		58,489,122,205	48,984,663,259
(A)		95,509,149,539	73,716,297,657
Less : Current Liabilities and Provisions			
(a) Current Liabilities	8	80,436,876,500	59,526,620,647
(b) Provisions	9	5,886,856,705	5,287,896,518
(B)		86,323,733,205	64,814,517,165
Net Current Assets (A) - (B)		9,185,416,334	8,901,780,492
<b>Total</b>		<b>131,309,060,564</b>	<b>91,772,387,136</b>
<b>Notes to accounts</b>	15		

As per our report attached

**For Ford, Rhodes, Parks & Co.**

Chartered Accountants

(S.B.Prabhu)

Partner (Membership No.35296)

**For P.G.Joshi & Co.**

Chartered Accountants

(Prashant Tidke)

Partner (Membership No.39362)

**For P.G.Bhagwat**

Chartered Accountants

(Sanjay Athawale)

Partner (Membership no.83374)

Mumbai, November 25<sup>th</sup>, 2009

**For Maharashtra State Power Generation Company Limited**

G.J.Girase  
Director (Finance)

Subrat Ratho  
Managing Director

P.Abraham  
Chairman

Rahul Dubey  
Company Secretary

## Profit & Loss Account for the Year Ended 31<sup>st</sup> March, 2009

	Schedule No.	31-Mar-09 Rs.	31-Mar-08 Rs.
<b>Income</b>			
Revenue from sale of power		93,469,040,435	80,831,756,727
Less : Electricity duty		4,104,235	12,034,788
		93,464,936,200	80,819,721,939
Other Income	10	1,326,386,515	1,667,743,757
		94,791,322,715	82,487,465,696
<b>Expenditure:</b>			
Cost of fuel		71,562,498,914	59,981,031,648
Generation, administration and other expenses	11	8,749,338,620	8,492,804,448
Employee costs	12	6,301,209,773	4,748,691,316
Depreciation/Amortisation (Refer note no.19(i) of Schedule 15)		3,075,329,525	2,065,484,639
Interest and finance charges	13	4,483,525,537	1,206,007,046
		94,171,902,369	76,494,019,097
<b>Net Profit Before Tax</b>		<b>619,420,346</b>	<b>5,993,446,599</b>
<b>Less : Provision for Taxation</b>			
For current tax		107,000,000	549,000,000
For deferred tax (including prior period charge of Rs.2,503,484 (PY Nil)		(234,605,873)	1,657,666,431
For fringe benefit tax		14,200,000	13,000,000
<b>Net Profit After Tax</b>		<b>732,826,219</b>	<b>3,773,780,168</b>
Excess provision for earlier year's tax		-	429,126,181
Prior period credits / charges (net)	14	108,125,656	(1,202,603,276)
<b>Profit for the Year</b>		<b>840,951,875</b>	<b>3,000,303,073</b>
Add : Balance brought forward from previous years		3,739,290,402	3,464,588,388
Less : Transferred to Deferred Tax Liabilities (net)		-	2,416,176,066
Less : Transitional adjustment for Employee Benefits		-	296,300,000
Transferred to/(from) Debenture Redemption Reserve		(8,750,000)	13,125,000
<b>Balance carried to balance sheet</b>		<b>4,588,992,277</b>	<b>3,739,290,402</b>
<b>Earnings Per Share (in Rs.)</b>			
Basic Earnings Per Share		1.35	60,006
Diluted Earnings Per Share		0.26	0.98
<b>Notes to Account</b>	15		

As per our report attached

**For Ford, Rhodes, Parks & Co.**  
Chartered Accountants

(S.B.Prabhu)  
Partner (Membership No.35296)

**For P.G.Joshi & Co.**  
Chartered Accountants

(Prashant Tidke)  
Partner (Membership No.39362)

**For P.G.Bhagwat**  
Chartered Accountants

(Sanjay Athawale)  
Partner (Membership no.83374)  
Mumbai, November 25<sup>th</sup>, 2009

**For Maharashtra State Power Generation Company Limited**

G.J.Girase	Subrat Ratho	P.Abraham
Director (Finance)	Managing Director	Chairman

Rahul Dubey  
Company Secretary

## Schedules forming part of Balancesheet

	31-Mar-09 Rs.	31-Mar-08 Rs.
<b>Schedule 1 : Share Capital</b>		
<b>Authorised</b>		
5,000,000,000 Equity shares of Rs. 10 each	50,000,000,000	50,000,000,000
<b>Issued Subscribed and Paid up</b>		
2,500,050,000 (PY 50,000) Equity shares of Rs. 10 each fully paid up	25,000,500,000	500,000
(Out of the above 2,500,000,000 shares are held by MSEB Holding Company Ltd. and balance 50,000 shares are held by nominees on behalf of Government of Maharashtra)		
<b>Total</b>	<b>25,000,500,000</b>	<b>500,000</b>
<b>Schedule 2 : Reserve and Surplus</b>		
<b>1) Capital Reserve</b>		
Consumer's Contribution/Government Grants towards cost of Capital Assets Balancesheet as per last Balance Sheet	-	125,011,400
Add: Additions during the year	-	-
	-	125,011,400
Less: Transferred to income	-	11,400
Less: Transferred to relevant Fixed Assets	-	125,000,000
2) Debenture Redemption Reserve Opening Balance	13,125,000	-
Add: Transferred during the year from/(to) Profit & Loss Appropriation Account	(8,750,000)	13,125,000
	4,375,000	13,125,000
3) Balance of Profit and Loss Account	4,588,992,277	3,739,290,402
<b>Total</b>	<b>4,593,367,277</b>	<b>3,752,415,402</b>

	31-Mar-09 Rs.	31-Mar-08 Rs.
<b>Schedule 3 : Secured Loans</b>		
<b>1. Debentures</b>		
14.18% - 7 Non Convertibl debentures of the face value of Rs. 6,25,000/- each  (Redeemable at par in 32 equal quarterly installments commencing from Dec. 31, 2001)	4,375,000	13,125,000
<b>2. Term Loans</b>		
From Banks		
From Central Government / Others (Amount repayable within one year Rs. 168.68 Crores. (PY Rs. 218.66 Crores)	17,545,471,819	5,222,025,298
From Power Finance Corporation Limited (Amount repayable one year Rs. 374.50 Crores (PY Rs. 333.78 Crores)	48,039,185,035	35,673,183,777
From Rural Electrification Corporation Limited (Amount repayable within one year 2009-10 Rs. Nil and for previous year Nil)	14,145,383,491	2,660,612,585
3. Working capital loan - Short Term Loan	5,653,655,985	6,712,547,055
<b>Total</b>	<b>85,388,071,330</b>	<b>50,281,493,715</b>
<b>Schedule 4 : Unsecured Loans</b>		
Term Loans from State Government (Amount repayable with in one year 2009-10 Rs. 31.625 Crores and previous year 2008-09 Rs. 31.625 Crores)	2,214,251,796	2,530,501,992
<b>Total</b>	<b>2,214,251,796</b>	<b>2,530,501,992</b>

## Schedules Forming Part of Balancesheet

### Schedule 5 : Fixed Assets

Assets	Gross Block (At Cost)		Depreciation/Amortisation		Net Block	
	As at 01.04.2008	As at 31/3/2009	As at 1/4/2009	Depreciation/Amortisation for the year	As at 31/3/2009	As at 31/3/2008
<b>Tangible Assets</b>						
(including development)						
Freehold	550,860,840	659,781,245	-	-	659,781,245	550,860,840
Leasehold	474,905,889	551,388,669	15,207,808	9,235,524	526,945,337	459,698,081
<b>Buildings</b>						
Factory Buildings	6,055,440,229	7,831,977,884	3,949,136,977	187,289,618	3,696,232,972	2,106,303,252
Others	2,997,976,110	3,213,658,035	976,348,790	58,103,512	2,183,104,715	2,021,627,320
Hydraulic Works	8,453,491,922	10,212,447,807	4,739,321,786	232,086,392	5,411,249,030	3,714,170,136
<b>Other Civil Works</b>						
Railway Sidings	2,610,172,219	2,834,818,280	552,254,811	51,095,499	2,231,487,747	2,057,917,408
Roads and Others	3,619,506,679	3,810,998,822	1,055,544,174	67,995,909	2,694,058,720	2,563,962,505
Plant, Machinery & Equipments	86,904,336,894	100,172,071,778	56,150,218,726	2,383,505,294	41,654,977,208	30,754,118,168
Miles & Cable Networks	1,783,756,468	1,973,721,334	1,030,715,223	50,456,906	892,549,205	753,041,245
Vehicles	163,441,430	178,663,527	127,253,336	7,457,712	47,386,616	36,188,094
Furniture & Fixtures	127,494,079	172,413,625	98,172,940	4,260,214	69,975,505	29,321,139
Office Equipments (including Computers)	181,266,421	210,412,350	89,657,097	8,094,193	112,899,104	91,609,324
Capital Expenditure resulting in assets not belonging to the company	8,331,869,929	845,297,188	35,719,986	29,928,711	779,648,491	797,466,943
Fixed Assets Pending	225,180	281,941	-	-	281,941	225,180
Investigation						
<b>Intangible Assets</b>						
Right to receive water/power	9,987,907	9,987,907	2,326,615	2,326,615	5,334,677	7,661,292
Software License	17,785,448	23,171,137	1,779,245	1,200,377	20,191,515	16,006,203
<b>Total</b>	<b>114,783,834,644</b>	<b>132,701,091,529</b>	<b>68,823,657,514</b>	<b>3,093,045,476</b>	<b>60,986,104,028</b>	<b>45,960,177,134</b>
Previous Year	100,008,579,074	114,783,834,644	66,725,689,489	2,089,029,710	45,978,053,756	33,282,889,585
Adjustment due to regrouping	-	67,945,261	-	-	60,216,720	-
<b>Previous year figures regrouped)</b>	<b>100,008,579,074</b>	<b>114,851,779,904</b>	<b>66,725,689,489</b>	<b>2,089,029,710</b>	<b>46,038,270,475</b>	<b>33,282,889,584</b>

	31 March 2009 Rs..	31 March 2008 Rs..
<b>Schedule 6 : Investments (Uncoated At cost)</b>		
Trade Investments - Long Term		
Equity Shares in subsidiary Companies		
30,000 (PY 30,000) Equity shares of Mahaguj Colliery Ltd. of Rs. 10/- each fully paid up	300,000	300,000
Nil (PY 50,000) Equity Shares of Dhopave Coastal Power Limited of Rs. 10 each fully paid up	-	500,000
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 Aurangabad Power Company Limited of Rs. 10/- each fully paid up	500,000	500,000
30,000 (PY Nil) Equity shares of UCM Coal Company Ltd. of Rs. 10/- each fully paid up	300,000	-
<b>Non Trade Investments - Long Term</b>		
10 shares Kolhapur District Co-operative Bank Limited of Rs. 10 each fully paid-up	100	100
<b>Total</b>	<b>1, 600,100</b>	<b>1, 800,100</b>
<b>Schedule 7 - Current Assets, Loans &amp; Advances</b>		
<b>Current Assets</b>		
<b>a) Inventories (As valued and certified by management)</b>	-	-
Coal & Fuel	2, 153,245,185	1, 987, 147, 578
Stores & Spares	6, 686, 450,168	5,275, 734,958
Material in transit	260, 841,177	143,889,888
Less: Prvision for loss on obsolescence on stores	846,280,860	554,354,958
<b>Total</b>	<b>8,254,255,670</b>	<b>6,852,417,466</b>
<b>b) Sundry Debtors (Unsecured, considered good)</b>		
- debts outstanding for more than 6 months	755,357,673	3,289,524
other debts	26,108,599,443	17,742,785,215
<b>Total</b>	<b>26,863,957,116</b>	<b>17,746,074,739</b>
<b>c) Cash &amp; Bank Balance</b>		
1. Cash and stamps on hand	1,473,949	1,946,436
2. Cheques in hand	1,840,000,000	55,725
3. Balance with shedule banks in currents accounts	42,507,748	125,817,877



	31 March 2009 Rs..	31 March 2008 Rs..
4. Remittance in transit	17,832,851	5,322,155
<b>Total</b>	<b>1,901,814,548</b>	<b>133,142,193</b>
<b>LOAN AND ADVANCES</b>		
(Unsecured, consider good unless otherwise specified)		
1. Advance and loan to subsidiaries	170,081,582	21,288,204
2. Advance recoverable in cash or in kind or for value to be received	2,618,766,756	1,373,449,403
3. Advances for O & M supplies/ works	828,043,994	1,733,091,628
4. Advances for coal/fuel supplies	51,467,009,139	43,795,146,619
5. Advances to staff	246,269,761	167,716,587
6. Deposites	2,454,149,313	1,586,793,246
7. Balance recoverable from Axis, Custom Authorities	11,280,650	11,280,650
8. Prepaid Expences	156,836,422	189,729,347
9. Claims receivable and Other Current Assets	594,642,469	169,080,767
	<b>58,547,080,086</b>	<b>49,047,576,751</b>
Less: Provision for doubtful loan & advances		
1. For coal/fuel supplies	48,447,497	47,873,076
2. For advances to suppliers	957,484	6,004,660
3. For income accured	6,340,885	6,340,885
4. Advances receivable in cash/kind	-	77,229
5. Sundry receivables	2,212,015	2,275,622
6. Deposites	-	342,020
	57,957,881	62,913,492
	58,489,122,205	48,984,663,259
	<b>95,509,149,539</b>	<b>73,716,297,657</b>

	31 March 2009 Rs..	31 March 2008 Rs..
<b>Schedule - 8 Current Liabilities</b>		
<b>1. Sundry Creditors</b>		
For Capital Expenditure due to micro, small & medium enterprises (refer note 17 of schedule 15)	-	-
due to others	4,333,198,305	1,881,830,779
For goods and services due to micro, small & medium enterprises (refer note 17 of schedule 15)	-	-
due to others	57,609,002,904	46,912,561,540
<b>2. Deposits and rentination from contactors, consumers &amp; others</b>	8,372,264,154	3,305,341,689
<b>3. Other liabilities</b>	9,019,994,518	6,686,827,178
<b>4. Interest accrued but not due on borrowings</b>	1,102,416,619	740,059,461
<b>Total</b>	<b>80,436,876,500</b>	<b>59,526,620,647</b>
<b>Schedule - 9 Provisions</b>		
Provision for gratuity	3,465,273,101	2,848,431,696
Provision for leave incashment	2,211,108,039	1,926,071,342
Provision for income tax	1,847,741,656	1,740,741,656
Less : Tax paid in advance (including TDS)	1,641,294,710	1,229,295,468
	206,446,946	511,446,188
Provision for fringe benefit tax	40,769,805	26,565,805
Less: Tax paid in advance	36,969,308	24,971,513
	3,800,497	1,598,292
Provision for wealth tax	228,122	349,000
<b>Total</b>	<b>5,886,856,705</b>	<b>5,287,896,518</b>
<b>Schedule - 10 Other Income</b>		
Interest Income [TDS Rs. 32,405 (Prev. year Rs. 19,61,195)]	3,172,911	22,738,590
Incom from rent, hire charges etc.	39,418,996	30,148,378
Profit on sale of stores/scrap	345,452,941	234,834,742
Profit from sale of fixed assets	-	7,958
Sale of tender forms	14,839,086	16,970,609
Other receipts	923,502,581	486,612,659
Excess provision written back	-	876,430,821
	<b>1,326,386,515</b>	<b>1,667,743,757</b>

	31 March 2009 Rs..	31 March 2008 Rs..
<b>Schedule - 11 Generation, administration and other expenses</b>		
Lubricants, Consumable Stores and Station Supplies	927,411,365	856,142,535
Water charges	1,194,006,086	824,483,112
Rent	120,911,137	117,562,147
Lease Rent	918,437,389	918,451,364
<b>Repairs &amp; Maintenance</b>		
Plant & Machinery	4,364,299,810	4,493,187,107
Building	52,068,432	73,258,905
Others	410,216,834	305,083,726
Insurance Charges	32,444,997	42,336,068
Rates & Taxes	123,413,814	35,759,163
Legal and professional charges	27,213,396	37,419,205
Auditors remuneration	2,494,991	1,353,400
Commission to agents	100,002,704	80,556,102
Other administrative expenses	587,795,857	440,805,483
	8,860,717,082	8,226,362,317
Less: Repairs and maintenance expenses capitalised (net)	18,208,607	21,980,865
Administrative expenses capitalised (net)	93,169,855	(288,422,996)
	<b>8,749,338,620</b>	<b>8,492,804,448</b>
<b>Schedule 12: Employee Costs</b>		
Salaries, allowances, Bonus etc.	4,777,182,052	3,567,400,816
Staff Welfare Expenses	67,966,902	58,701,085
Other Staff Costs	74,269,553	41,805,228
Leave encashment scheme	511,871,262	369,512,210
Gratuity	884,803,116	451,333,644
Contribution to Provident & Other Funds	385,408,645	373,219,009
Provision for Shortfall in Plan assets	(21,300,000)	16,000,000
	6,680,201,530	4,877,971,992
Less: Employees cost capitalised (net)	378,991,757	129,280,676
(Refer note 19 (iii) of schedule 15)	-	-
	<b>6,301,209,773</b>	<b>4,748,691,316</b>

	31 March 2009 Rs..	31 March 2008 Rs..
<b>Schedule 13: Interest and finance charges</b>		
<b>Interest on</b>		
State Government loans	274,338,712	310,404,167
Debentures	1,393,721	2,640,417
Other loans/ deferred credits	5,091,543, 751	3,232,098,292
Borrowing for working capital	1,338,432,631	626,264,632
Consumer's security deposits	24,152	22,814
<b>Finance charges</b>		
Government guarantee fees/charges	226,812,785	262,390,799
Cost of raising finance	2,752,400	12,126,973
Other charges	19,809,043	13,091,692
	6,955,107,195	4,459,039, 786
Less: Interest and Finance Charges capitalised (net) (Refer note 19 (ii) of schedule 15)	2,471,581,658	3,253,032,740
	<b>4,483,525,537</b>	<b>1,206,007,046</b>
<b>Schedule 14: Prior period credits / charges (net)</b>		
<b>Income</b>		
Other Income	6,716,186	64,205,187
Adjustment to past billings relating to previous years	(98,365,427)	1,337,342,248
Other excess provisions in prior periods	64,388,801	43,753,538
Coal related Gain	376,777	-
	(26,883,663)	1,445,300,973
<b>Expenses</b>		
Interest expenses	-	727,884
Fuel related gains / losses	842,608	1,908,582
Receipts from consumer's	-	-
Excess/shortage provision for depreciation	(194,028,131)	19,750,609
Net Interest and finance charges	(440 ,654)	809 ,739
Operating expenses	95,935,714	719,204,374
Employee costs	4,970,350	32,955,591
Leav encashment	-	1,735,092,085
Administration expenses	(36,907,522)	8,045,599
Material related expenses	(5,381,684)	129,409, 786
	135,009,319	2,647,904,249
	<b>108,125,656</b>	<b>(1,202,603,276)</b>

## SCHEDULE 15 – NOTES TO ACCOUNTS

### 1) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2009

#### 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 the Companies Act, 1956 in terms of section 174 of the Electricity Act, 2003.

The accounts have been prepared on the basis of going concern concept and under the historical cost convention. The company adopts accrual basis in preparation of its accounts to comply in all material aspects with Generally Accepted Accounting Principles (GAAP) and the accounting standards issued by the Companies (Accounting Standards) Rules, 2006 as per notification no. G.S.R.739 (E) dated 7<sup>th</sup> December, 2006.

Assets and liabilities created under applicable electricity laws continue to be depicted under appropriate heads.

#### b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and the liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Differences between actual results and estimates are recognized in the period in which results are known / materialized.

#### c) Fixed Assets

- (i) Fixed assets of the company are recorded in the books of accounts and disclosed in annual accounts at historical cost. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation.
- (ii) Cost of acquisition is inclusive of freight, duties & taxes (other than those subsequently recoverable from taxing authorities), levies, borrowing costs & all incidentals attributable to bringing the asset to its working condition.
- (iii) In case of fixed assets, for new projects / extension, the related expenses and interest cost up to the date of commissioning attributable to such project / expansion are capitalized.
- (iv) Capital Expenditure incurred by the company, resulting in creation of fixed assets for which company does not have ownership rights is reflected as a distinct item in capital work in progress till the assets are under construction and thereafter in the fixed assets schedule are disclosed separately.

- (v) In case of Capital Work in Progress for work against Deposits / work contract where the final settlement of bills with the contractor is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.
- (vi) Claims for price variation in case of capital contracts are accounted for on acceptance thereof by the Company.
- (vii) The total cost incurred by the company at project and planning units for the period are apportioned to respective Capital Work-in-Progress accounts on the basis of accretions thereto.
- (viii) The costs incurred and revenue generated during the Trial Runs Stage of the Project / Power Station are capitalized.
- (ix) The costs incurred on identification, survey and feasibility studies of a project under sanction are shown as a distinct item in capital work in progress till the period of its rejection or three years, whichever is earlier. In case of rejection, the expenses are charged to revenue in the year of its rejection.
- (x) Fixed assets are shown in the books of accounts net of any government grants received in respect of those fixed assets.
- (xi) Fixed Assets costing individually up to Rs. 5,000/- are written off to Profit & Loss Account.
- (xii) Intangible Assets are capitalized at cost if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of these assets can be measured reliably.

**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 or sale. 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) Machinery and Other 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. If cost of such spares is not known, these are capitalized along with concerned plant.

- (ii) Machinery spares procured subsequently are also capitalized.
- (iii) Machinery spares are depreciated fully over the remaining useful life of the related plant and machinery.
- (iv) Written Down Value of Machinery Spares is charged to revenue in the year in which such spares are consumed.
- (v) Other spares are treated as “stores & spares” forming part of the inventory, valued at cost or net realizable value whichever is lower and expensed when issued.

**g) Depreciation /Amortization**

**(i) Fixed Assets:**

The company has provided depreciation on straight line method to the extent of 90% of the cost of asset following the rates notified by the Central Electricity Regulatory Commission (CERC) pursuant to tariff policy issued on January 6, 2006.

Depreciation on additions/deletions of assets is provided on pro-rata basis from/up to the month in which the asset is available for use/disposal.

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

Leasehold land is amortized over a period of lease.

**(ii) Intangible Assets:**

Intangible Assets are amortized over their estimated useful lives not exceeding ten years in case of software. Other intangible assets are amortized over the period for which benefits are estimated to generate sufficient economic benefits.

**(iii) Depreciation rates used for various classes of assets are:**

Hydraulic Works	1.80 % to 3.60 %
Buildings & Other Civil Works	1.80 % to 3.60 %
Plant & Machinery	2.57 % to 18.00 %
Transmission lines, Cable Network etc.	2.57 % to 6.00 %



Furniture, Fixtures and Office Equipments	6.00 %
Vehicles	18.00 %

## **h) Inventories**

Stock of materials, stores, spare parts is valued at lower of cost or net realizable value, where cost is determined on weighted average cost method. Cost comprises of cost of purchase and other costs incurred in bringing them to their present location and condition.

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

## **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.

Other income is recognized on accrual basis. Sale of scrap & rejected coal is accounted when the same is contracted to be sold.

## **j) Investments**

Long term investments are carried at cost, less provision for diminution other than temporary, if any, 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.

The gain or loss arising on account of exchange rate differences between the payment date and transaction date is transferred to the Profit and Loss Account for the year.

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

## **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) after deducting any amount already paid.

**(ii) Post-employment benefits****Defined contribution plans**

Defined contribution plans are post-employment benefits plans under which Company recognizes fixed contributions as a liability (accrued expense) after deducting any contribution already paid. The Company's contribution to defined contribution plans are recognized in the profit and loss statement in the financial year to which they relate.

**Defined Benefit Plan****Gratuity and Leave encashment**

Provision for accruing liability for gratuity and leave encashment on retirement is made on the basis of the liability as actuarially determined as at the year end.

**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, making it a Multi Employer Defined Benefit Plan. 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 profit & loss account

The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date. Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortized on a straight-line basis over the average period until the amended benefits become vested.

Maharashtra State Power Generation Co. Ltd.

The defined benefits obligations recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized gains and losses and unrecognized past service costs, and as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the unrecognized past service cost plus the present value of available refunds and reductions to the plan.

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

In respect of assets acquired on finance lease, which are transferred under The Maharashtra Electricity Reforms Transfer Scheme, 2005 (Transfer Scheme), the lease rentals are charged to profit and loss account as and when the same accrue.

Assets acquired subsequent to June 5, 2005 are classified as Finance leases, where the Company has substantially all the risks and rewards of ownership, Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a

liability is created for an equivalent amount. Lease rentals paid are allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

### **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, reduction / disallowance.

### **(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”.

In respect of unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only to the extent there is virtual certainty of realization in future.

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

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

## **p) Provisions, Contingent Liabilities and Contingent Assets**

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

Contingent liabilities are not recognized but are disclosed in the notes. Financial effect of contingent liabilities is disclosed based on information available up to the date on which financial statements are approved.

Contingent assets are neither recognized nor disclosed 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 Profit & Loss Statement over the period necessary to match them with the related cost which they are intended to compensate.

## 2) RESTRUCTURING SCHEME

The assets and liabilities of the company as on June 06, 2005 contain balances, which are transferred under The Maharashtra Electricity Reforms Transfer Scheme, 2005 (Transfer Scheme). Accordingly these balances are approved by MSEB Holding Company Ltd. The Final Transfer Scheme is yet to be notified by the Government of Maharashtra, which may have an impact on the financial statements of the Company.

During the process of allocation of loans of the erstwhile MSEB among successor entities as part of transfer scheme, certain loans have been serviced by Maharashtra State Electricity Transmission Company Limited (MSETCL) for some intermittent period, which were finally allocated to the Company and approved by the holding company. Pursuant to the same, following amounts have been paid to MSETCL. Pending final notification of scheme, no effect has been given in reserves / share capital suspense account and the same has been adjusted as balance receivable / payable from MSETCL.

Particulars	Amount
Repayment of Loan to REC	750,000,000
Repayment of Non Convertible Debentures to IFCI	924,811,350
Repayment of Non Convertible Debentures to BEST	13,125,000
<b>Total Repayment of Principal Amount (A)</b>	<b>1,687,936,350</b>
Payment of Interest on Short Term Loan to Indian bank (For 2006-07)	671,871
Payment of Interest on Short Term Loan to Indian bank (For 2005-06)	38,579,074
Payment of Interest on Non Convertible Debenture to BEST(For 2006-07)	2,191,709
Payment of Interest on Non Convertible Debenture to BEST(For 2005-06)	3,933,858
Payment of Interest on Loan to REC (For 2005-06)	16,953,125
Payment of Interest on Non Convertible Debenture to IFCI (For 2005-06)	89,688,903
<b>Total Repayment of Interest amount (B)</b>	<b>152,018,540</b>
<b>Total amount paid to MSETCL (A) + (B)</b>	<b>1,839,954,890</b>

### 3) CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 6477.14 Crores (Previous Year – Rs.2855.90Crores).

### 4) CONTINGENT LIABILITIES (not provided for) :

(in excess of Rs. Ten lakhs individually in value)

- (i) An amount of Rs.2.63 Crores (P.Y. Rs. 2.63 Crores) demanded by Central Excise Department on account of duty on fabricated material of Chandrapur project office has been disputed by the Company and matter is pending in the Court of Law. However, as per High Court's order the Company has furnished Bank guarantee for Rs.186.66 lakhs & deposited an amount of Rs.21.34 lakhs with Excise Authority. The appeal is pending with Commissioner of Central Excise Decision is awaited.
- (ii) The matter regarding additional compensation payable for Parli land amounting to Rs. 9.26 crores (P.Y. Rs. 9.26 crores) and for Khaperkheda land amounting to Rs.4.51 crores (P.Y. Rs. 4.51 crores) are pending in Court. Hence, no provision is made.
- (iii) Contingent liability of Rs. 1.05 crores (P.Y. Rs. 1.91 crores) of disputed claims towards payment of water charges to be made to the Irrigation Department for supply of water from Kamptee Khairi dam and right back contact Koradi T.P.S hence no provision is made in the accounts.
- (iv) M S P G C L may be contingently liable for interest claim of SCCL and Other disputed claim of SECL and MCL amounting to Rs.37.38 Crore (P.Y. Rs. 106.94 crores), interest claim of, SCCL pertain to the period for which no fuel supply agreement existed between Coal Cos & MSPGCL. The principles for settlement of disputed deductions in case of SECL & MCL are not agreed to between MSPGCL & Coal Cos.
- (v) There is a disputed claim of Rs.9.829 Crs. towards water royalty charges demanded by irrigation Department in respect of CSTPS.
- (vi) During 1994-98 professional tax on O.T. payment was erroneously not recovered and not paid to the Dept. It is recovered and paid in 1998. For this late payment department had levied penalty of Rs. 7,72,530 and interest of Rs. 7,72,530. Against this CSTPS had preferred in appeal with Assistant Commissioner (Appeal) of Sales Tax. Amravati by making payment of Rs. 193,132 for interest and Rs. 193,132 for penalty. Balance amount of Rs. 1,158,796 is proposed to be shown as contingent liability.
- (vii) Cases for enhancement of land compensation are pending before the Hon'ble Court of Jt.Civil Judge, Sr. Dn. Chandrapur amounting to Rs.47,761,244
- (viii) Chief Engineer (Civil), Gen. I had issued work order no. 454 dated 4th March 1989 to M/s Geo Miller & Co., New Delhi for design, manufacture, supply and commissioning of water pre-treatment plant including necessary civil works as required for two generating sets for 500 MW rating each for Unit 5 & 6 of Chandrapur TPS. The value of work order was Rs. 154,675,712. M/s Geo Miller & Co. had demanded extra claim of Rs. 1,27,36,236 plus interest for electrical & mechanical work

which was rejected by Chief Engineer, Gen. Const. Koradi, being the turnkey project. As such M/s Geo Miller & Co. had referred the dispute to Arbitrator. Arbitrator had decided the matter in favour of M/s Geo Miller & Co and directed erstwhile MSEB to pay awarded amount of Rs. 9,772,838 plus interest (P.Y. Rs. 9,772,838 plus interest ) to M/s Geo Miller & Co., New Delhi. Erstwhile MSEB had challenged this award in High Court, Mumbai and decision is awaited.

- (ix) Chief Engineer (Civil), Gen.- I had issued work order no. 916 dated 20th April 1999 to M/s Vinod Massand, Nagpur for Earth work formation, dismantling of track, permanent way linking, supply of P.S.C. Sleepers and P.way materials in connection with the railway track for Unit 7 of Chandrapur TPS. The value of work order was Rs. 27,131,752. Erst while MSEB had imposed the penalty of Rs. 24 lacs for poor workmanship, which was disputed by M/s. Vinod Massand, Nagpur. M/s Vinod Massand, Nagpur referred the matter to Arbitrator and filed counter claim of Rs. 60,298,506 plus interest (P.Y. Rs. 60,298,506 plus interest) against erstwhile MSEB for delay in handing over of site, delayed payments, under utilization of machinery etc. Arbitration proceedings has been started, however, final outcome of the Arbitration proceeding is awaited.
- (x) Chief Engineer (Civil), Gen. I had issued work order no. 571 dated 7th March 1998 to M/s PILCON ENGRS, Rajnandgaon for construction of road overbridge (ROB) on Nagpur- Ballarshah main railway line, near Vivekanand Nagar Railway at Chandrapur. The value of work order was Rs. 24,434,757. M/s PILCON ENGRS, Rajnandgaon, had claimed Rs. 65,371,917 from erstwhile MSEB on following counts:

Work done but not paid, refund of wrongful deduction, payment under P.V. formula, consumption of steel/cement, interest on claim from 1.03.2003 etc.

Dy. Chief Engineer (Civil), Chandrapur has rejected the above claim amount. M/s PILCON ENGRS, Rajnandgaon, referred the matter to Arbitrator. Arbitration proceedings has been started, however final outcome of the Arbitration proceeding is awaited.

- (xi) Chief Engineer (Civil), Gen. I had issued work order no. 1842 dated 3rd August 1998 to M/s George Const. Co., Nagpur for construction of school building at TPS Colony, Khaparkheda. The value of work order was Rs. 9,981,472. M/s George Const. Co., Nagpur claimed Rs. 10,209,183 towards loss of profit and overheads suffered during the contract time limit and amount of interest from April 1999 to December 2003, loss due to prolongation of work beyond original time limit etc. erstwhile MSEB rejected the above claim. M/s George Const. Co., Nagpur had referred the matter to Arbitrator. Arbitrator had decided the matter in favour of M/s George Const. Co., Nagpur and directed erstwhile MSEB to pay awarded amount of Rs. 6,451,380 to M/s George Const. Co., Nagpur. Erstwhile MSEB had challenged this award in District Court, Nagpur and decision is awaited.
- (xii) Chief Engineer (Civil), Gen. I had issued work order no. 4062 dated 24th December 1992 to M/s. Environmental Engineers, Nagpur for work of design, manufacture, supply, erection, testing, commissioning of effluent treatment plant including all civil works at Khaparkheda TPS. The value of work order was Rs. 21,194,014. M/s Environmental Engineers, Nagpur claimed Rs.150,790,683 towards loss on account of delay in issue of work order, renewal of bank guarantee, mobilization advance, increase in size of civil structures, increase in capacity of plate stillers etc. Erstwhile MSEB rejected the above claim. M/s Environmental Engineers, Nagpur had referred the matter to Arbitrator. Arbitration proceedings has been started, however final outcome of the Arbitration proceeding is awaited.

- (xiii) During the month of March 2008 Bank of Maharashtra has debited Rs. 38 lakhs appx on account of OD interest. According to the Company, the said interest is wrongly & erroneously debited by bank, for which follow-up for correction is under process with the bank authorities.
- (xiv) MSPGCL may be contingently liable for Rs. 258.75 Crs. for the Income Tax order dated 31-12-2008 passed by the Income Tax Department under section 143(3) for the A.Y. 2006-07 (F.Y. 2005-06). Against this order Rs. 5 Crs. have been paid and Rs. 2.65 crs. refund of Income Tax for A.Y. 2007-08 was adjusted against this demand. MSPGCL has preferred an appeal against this order and case is pending with CIT (Appeals) Mumbai.
- (xv) There may be a contingent liability of Rs. 41,26,572 towards the payment of Non- Agriculture Assessment Tax of Parli TPS land. The amount has been paid under protest and has been effected as amount receivable from Government Department.
- (xvi) The contingent liability of Rs.29.76 lacs may arise towards the “Arrangers fees” in respect of loan liability of Rs 78.02 Crore taken from Bank of India. The said loan has subsequently been taken over by MahaGenco with retrospective effect. However the expenditure towards arranger fee has not been accepted by MSPGCL.
- (xvii) MSEB had entered into agreement with M/s DIRK India Pvt. Ltd. (DIPL) for lifting of Fly Ash (3000 MT per day) from Nasik TPS. After completion of six years, M/s DIPL has not lifted the quantity as per agreement hence the contract was terminated due to breach of contract. Consequently M/s DIPL filed an arbitration petition and has claimed Rs. 142.33 Crs. with interest @18% p.a. till the payment is made. Hence MSPGCL is contingently liable to this extent.
- (xviii) MSPGCL may be contingently liable for Rs. 47 Lakhs against the suit filed by M/s Black Diamond Trading Co., Ahmadabad towards refund of forfeited Security Deposit. The matter is pending with High Court.

## 5) SHARE CAPITAL Maharashtra State Power Generation Co. Ltd.

### (i) Share suspense account

Shares amounting to Rs. 2500 Crs. have been allotted to MSEB Holding Co. Ltd. during the year 2008-09 out of the total amount of Rs. 25,633,633,537 shown under share suspense account which represents the balance transferred to the company pursuant to the transfer scheme of the erstwhile MSEB framed for the purpose of restructure of the electricity board. As per the scheme the company is required to issue equity shares of the said amount to MSEB Holding Company Limited. However, the transfer scheme is subject to the final approval of Government of Maharashtra.

### (ii) Share Application Account

An amount of Rs. 9,640,000,000 (P.Y. Rs. 5,500,000,000) shown under ‘Share Application Money Pending Allotment’ account represents amount received from Government of Maharashtra towards participation in the expenditure to be incurred on power projects by the Company. Accordingly in consideration of the said amount the company is required to issue equity shares to Government of Maharashtra through its holding company. Further additional Rs.750,000,000 has been received in subsequent year against the share application from Government of Maharashtra.



## 6) SECURED LOANS

- (i) Debentures are secured against exclusive charge of coal handling plant at Chandrapur unit VII, Bulk evacuation system stage II at Dabhol Power Station, Total electrification package for Khaperkheda units 3 and 4, and railway track hopper system between Khaperkheda and Saoner Mines.
- (ii) Out of the total secured loans, loans amounting to Rs. 1067.56 crores payable to Power Finance Corporation of India are secured by guarantee issued by Government of Maharashtra. The balance secured loans are secured by mortgage & charge of immovable and movable fixed assets both present & future.
- (iii) The charge/mortgage created against assets of the Company as securities in respect of the loans including debentures, 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.

## 7) MANAGERIAL REMUNERATION

Details	2008-09 (Rs.)	2007-08 (Rs.)
Salary & Allowances	7,905,947	5,200,430
Contribution to Provident Fund & Other Funds	3,87,199	424,655
Other Benefits	-	-
<b>Total</b>	<b>8,293,146</b>	<b>5,625,085</b>

## 8) REMUNERATION TO AUDITORS

Details	2008-09 (Rs.)	2007-08 (Rs.)
For Audit	2,372,095	1,123,600
For Taxation Matters	-	-
For Certification Work	5,626	56,180
Reimbursement of out of pocket expenses	117,270	173,620
<b>Total</b>	<b>24,94,991</b>	<b>1,353,400</b>

## 9) SUNDRY DEBTORS INCLUDES AMOUNTS RECOVERABLE FROM THE COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SUB-SECTION (1B) OF SECTION 370 OF THE COMPANIES ACT, 1956 AS UNDER:

Name of the Company	Amounts due as at the year end	
	2008-09	2007-08
Maharashtra State Electricity Distribution Company Limited (MSEDCL)	26,863,957,116	17,461,320,611

**10) LOANS AND ADVANCES INCLUDE AMOUNTS RECOVERABLE FROM THE COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SUB-SECTION (1B) OF SECTION 370 OF THE COMPANIES ACT, 1956 AS UNDER:**

Name of the Company (Inter corporate Deposit)	Amounts due as at the year end	
	2008-09	2007-08
Maharashtra State Electricity Distribution Company Limited (MSEDCL)	142,103,133	140,168,063
Maharashtra State Electricity Transmission Company Limited.(MSETCL)	169,988,827	166,030,232
MSEB Holding Company Limited	13,218,576	4,647,437
MahaGuj Collieries Limited	139,799,088	41,06,771
Dhopave Coastal Power Limited	3,730,981	17,125,479
Aurangabad Power Company Limited	49,191	27,927
Dhule Thermal Power Company Limited	29,527	28,027
UCM Coal Company	26,472,795	-

**11) EXPENDITURE/EARNING IN FOREIGN CURRENCY**

	2008-09 (Rs.)	2007-08 (Rs.)
Traveling Expenses	22,288	391,070

**12) VALUE OF IMPORTS CALCULATED ON CIF BASIS**

	2008-09 (Rs.)	2007-08 (Rs.)
Fuel	Nil	Nil
Components and Spare parts	216,633,998	433,083,247
Capital Goods	Nil	Nil

**13) VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS, STORES, SPARE PARTS AND COMPONENT CONSUMED AND PERCENTAGE OF EACH TO THE TOTAL CONSUMPTION INCLUDING FOR REPAIRS & MAINTENANCE:**

		2008-09 (Rs.)		2007-08 (Rs.)	
A)	Raw Materials – Coal, Gas & Oil	%	Rs..	%	Rs.
	Imported	0	Nil	0	Nil
	Indigenous	100%	71,562,498,914	100%	59,981,031,648*
	<b>Total</b>	<b>100%</b>	<b>71,562,498,914</b>	<b>100%</b>	<b>59,981,031,648*</b>
B)	Stores, Spares and Component	%	Rs..	%	Rs.
	Imported	4%	202,040,683	66%	580,859,665
	Indigenous	96%	4,336,833,586	34%	301,787,577
	<b>Total</b>	<b>100%</b>	<b>4,538,874,269</b>	<b>100%</b>	<b>882,647,242</b>
• Excluding the consumption capitalized during the trial run period.					

**14) CONSUMPTION OF MAJOR RAW MATERIALS (FUEL) AND COMPONENTS**

	2008-09		2007-08	
Consumption	Quantity	Value (Rs.)	Quantity*	Value (Rs.)*
Coal (Th. MT)	35712.423	60,747,446,745	33,828	55,310,046,818
Gas (Million SMC)	1021.84	5,353,480,327	871	2,877,418,666
Oil (KL)	173,276	5,461,571,842	38,941	1,793,566,164
<b>Total</b>		<b>71,562,498,914</b>		<b>59,981,031,648*</b>
* excluding the consumption of coal Nil (PY 491.657(Th.MT) of Rs.754,013,829) & consumption of oil Nil (PY 44,595 KL of Rs. 859,764,350) capitalized during trial run period.				

## 15) QUANTITATIVE DETAILS

Licensed Capacity, Installed Capacity & Production						
Power Plant	Capacities					
	\$ Licensed		@ Installed (In MW)		Gross Production/ Generation (In Million KWH )*	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	Quantity (Units)	Quantity (Units)	Quantity (Units)	Quantity (Units)	Quantity (Units)	Quantity (Units)
Hydro	N.A.	N.A.	2,344	2,344	3,906	4,606.207
Thermal	N.A.	N.A.	6,925	6,925	42,060	43,958.276
Gas	N.A.	N.A.	852	852	4,432	3,729.974
<b>Total</b>	<b>N.A.</b>	<b>N.A.</b>	<b>10,121</b>	<b>10,121</b>	<b>50,398</b>	<b>52,294.457</b>
\$ The company's product is exempt from licensing requirement under New Industrial Policy in terms of notification no. S.O. 477 (E) dated 25th July, 1991.						
@ As certified by the Chief Engineer (Generation) and being a technical matter accepted by the Auditors as correct.						
*Including auxiliary consumption of 4,138 Million Units (PY 3,915 Million Units)						

Units sold:				
Power Plant	2008-09		2007-08	
	Quantity (Units)	*Value (Rs.)	Quantity (In Million Units)	*Value (Rs.)*
Hydro	3,872.995	1,615,141,332	4,587.446	2,510,573,558
Thermal	42,315.058	84,396,541,722	40,052.792	72,683,227,216
Gas	4,339.789	7,310,531,430	3,648.932	5,464,179,593
<b>Total</b>	<b>46,260.054</b>	<b>93,322,214,484</b>	<b>48,289.170</b>	<b>80,657,980,367</b>
* excluding sales to residential colony & other miscellaneous sales amounting to Rs. 142,721,716 (PY Rs. 877,253,647)				

- 16) The balances of sundry debtors, loans and advances are subject to confirmation and reconciliation if any. The company is taking necessary steps for reconciliation and confirmation of the same.

In the opinion of the board, the current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated other wise in the Accounts.

- 17) The Company generally makes payments to its creditors within a period of 45 days as stipulated in Micro, Small and Medium Enterprises Act, 2006. The Company is in the process of identifying Micro, Small and Medium Enterprises as defined in above referred Act. Hence, relevant disclosures as required by provisions of Schedule VI have not been made. The Company has neither received any claims for interest nor provided any interest payable to Micro and Small enterprises, as required by the aforesaid act, in absence of information. However, such interest payable is not expected to be of material amount.

## 18) CLAIMS LODGED BY THE COMPANY

- (i) In respect of Railway claims for coal, joint reconciliation with Railway Authority, S.E.Railway and Central Railway has been completed upto 31.3.2008 and further reconciliation will be completed shortly. Having carried out joint reconciliation, the claims on account of missing coal wagons against the unconnected coal wagons in respect of Central Railway and South Eastern Railway is 5182 Nos. of net missing coal wagons, which are required to be replenished by the Railways. Out of this South Eastern Railway settled the claim of 1207 wagons amounting to Rs. 2.70 crs. and released the payment. The claim for balance wagons is under process with S.E. Railway. The approximate cost of the above coal wagons is Rs. 13.71 crores. The matter of replenishment of the said wagons is under pursuance with the concerned Zonal Railway Authorities.
- (ii) Out of an amount of Rs. 11.25 crores (appx.) recoverable from the Railways against claims lodged with them for refund of excess freight (CC+2) collected by them, the refund of Rs. 4.25 crores is received from the Central Railway, the claims of Rs. 6.86 crores are reported by Railway as having excess amount claimed and therefore, be treated as withdrawn. Matter for settlement of the balance amount is in progress.

## 19) CAPITALIZATION OF DEPRECIATION, INTEREST AND EMPLOYEE COST

- (i) Out of the total depreciation for the year, depreciation of Rs.19,635,951 (previous year Rs. 3,756,948 /-) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other assets.
- (ii) Out of the total interest and finance charges for the year, interest and finance charges of Rs.2,471,581,658/- (previous year Rs.3,253,032,740 /-) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other assets.
- (iii) Out of the total employee cost for the year, employee cost of Rs.378,991,757 (previous year Rs. 129,280,676 /-) on construction facilities and fixed assets used for construction of other assets, has been capitalized towards the cost of other assets.

## 20) DEBENTURES REDEMPTION RESERVE

An amount of Rs.13,125,001 had been appropriated and transferred to debenture redemption reserve during the year 2007-08, representing amount of outstanding debenture payable at the end of the year. During current year an amount of Rs. 8,750,000 has been repaid and Debenture Redemption Reserve has been reduced to that extent.

## 21) DISCLOSURES REQUIRED BY ACCOUNTING STANDARDS

### a) Foreign Exchange Fluctuations:

Exchange loss of Rs. 15,898,371 (net) arising on account of foreign exchange fluctuations is debited to Profit & Loss Account. [P.Y. exchange gain Rs. 19,126,439 (net)].

### b) Employee Benefits

#### (i) Short Term Employee Benefits

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

#### (ii) Post Employment Benefits

##### Defined Benefit Plan

##### Provident Fund:

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

Maharashtra State Power Generation Co. Ltd.

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. According to the Management, the Actuary has opined that actuarial valuation can not be applied to reliably measure provident fund liabilities in absence of guidance from the Actuary Society of India. Accordingly, the company is currently not in a position to provide the other related disclosures as required by the aforesaid AS 15 read with the Accounting Standards Board Guidance. However, the actuary consultant has certified that there is no further liability which remained to be provided as at end of the year, on account of shortfall in interest payable to the beneficiaries.

Deficits/surplus, if any, having regard to the position of the fund as compared to aggregate liability is additionally contributed by the company and recognized as an expense/income.. Accordingly provision of Rs.2.13 Crs.( P.Y. deficit Rs. 1.60 crores) has been reduced towards gain of planned assets as compared to aggregate liability towards employees subscription and interest for the year.

- (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 are as under:

		For the year ended 31st March, 2009 (Rs. In Crore)	For the year ended 31st March, 2008 (Rs. In Crore)
1	Liability for subscriptions and interest payable to employees at the end of year	1005.49	933.97
2	Fair Value of Plan Assets at the end of year	976.39	902.74
3	Net Liability	29.10	31.23

- (iv) Description of Plan Assets

		For the year ended 31st March, 2009 (in %)	For the year ended 31st March, 2008 (in %)
1	Special Deposit Schemes	45.07	48.23
2	Bonds issued by public sector enterprises and Financial institutions	25.89	22.52
3	State Government Securities	15.91	17.28
4	Central Government Securities	11.07	10.18
5	Mutual Fund Units	0.51	0.61
6	Others	1.56	1.19

- (v) Gratuity (Unfunded Defined Benefit Plan):

Gratuity is payable to all employees of the organization at the rate of 15 days salary for each year of service subject to maximum of 20 months or in terms of the provisions of the payment of gratuity (amendment) act, 1997 whichever is more beneficial.

- (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, 2009 and recognized in the financial statements in respect of Employee Benefit Schemes:

**(viii) Expenses recognized in the Profit and Loss Account**

		For the year ended 31st March, 2009 (Rs.)		For the year ended 31st March, 2008 (Rs.)	
	Components of Employer Expense	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		Unfunded	Unfunded	Unfunded	Unfunded
1	Current Service Cost	115,672,983	55,737,686	112,067,857	77,777,936
2	Interest Cost	226,761,428	154,085,707	213,345,923	138,807,367
3	Curtailment Cost / (Credit)	--	--	--	--
4	Settlement Cost / (Credit)	--	--	--	--
5	Past Service Cost	--	-	--	1,735,092,085
6	Actuarial Losses / (Gains)	549,048,617	187,028,543	112,010,050	98,620,528
7	Total expense recognized in the Statement of Profit and Loss Account	891,483,027	396,851,936	437,423,829	2,050,297,916
The gratuity expenses have been recognized as 'Gratuity' and Leave Encashment expenses as 'Leave Encashment Scheme' in "Employee Costs" under schedule 11.					



(ix) **Reconciliation of Defined Benefit Obligation**

	Change in Defined Benefit Obligations	For the year ended 31st March, 2009 (Rs.)	
		Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Present Value of Defined Benefit Obligation at the beginning of period	2,834,517,845	1,926,071,342
2	Current Service Cost	115,672,983	55,737,686
3	Interest Cost	226,761,428	154,085,707
4	Past Service Cost	--	--
5	Curtailment Cost / (Credit)	--	--
6	Settlement Cost / (Credit)	--	--
7	Actuarial( Gains) / Losses	535,134,766	187,028,543
8	Benefits Paid	(254,047,860)	(111,815,239)
9	Present Value of Defined Benefit Obligation at the end of period	3,458,039,161	2,211,108,039
The gratuity provision has been recognized as 'Provision for Gratuity' and Provision for Leave Encashment as 'Provision for Leave Encashment' in "Provisions" under schedule 9.			

(x) **Summary of Actuarial Assumptions**

		For the year ended 31st March, 2009 (Rs.)	
	Actuarial Assumptions	Gratuity	Leave Encashment
		Unfunded	Unfunded
1	Increment Rate	5 %	5 %
2	Rate of Discounting	7 %	7 %
3	Attrition rate	Age Related (1%)	Age Related (1%)
4	Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

**c) Segment Reporting****Business Segment**

Electricity generation is the principal business activity of the Corporation. 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.

**d) Disclosures of transactions with Related Parties as required by the Accounting Standard - 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**

	<b>Name of Related Party</b>	<b>Nature of relationship</b>	<b>2008-09 (Rs.)</b>	<b>2007-08 (Rs.)</b>
i)	Mr. Ajoy Mehta	Managing Director (Upto 31-01-2009)	1,164,316	604,406
ii)	Mr. Subrat Ratho	Managing Director	153,962	-
iii)	Mr. V.T. Bapat	Director – Project	1,195,926	1,088,908
iv)	Mr. G.J. Girase	Director - Finance	660,655	280,292
v)	Mr. M.R. Shelar	Director–Operations	975,547	836,230
vi)	Mr. W. R. Aswar	Executive Director upto 31-07-2007		216,627
vii)	Mr. A.R. Kulkarni	Executive Director upto May-2007		161,367
viii)	Mr. Avinash Dhakane	Executive Director 01-09-2008 to 31-12-2008	167,629	-
ix)	Mr. Arvind Choudhari	Executive Director (HR) from 27-01-2009	66,048	-
x)	Mr. C.S. Thotwe	Executive Director (Gen. O & M) w.e.f. 1st January, 2008	628,269	596,628
xi)	Mr. V.G. Deshpande	Executive Director- (Gen. Project –I) upto 31-03-2009	867,121	903,731
xii)	Mr. S.L. Sahare	Executive Director (Corp. Planning)	2,413,673	845,054

**e) Disclosures regarding leases**

**Operating Leases**

The company has entered into the lease agreement with MSEB Holding company for two years 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 Rs. 11.89 Crs. p.a. The total of future minimum lease payments for this Lease Agreement for FY 2009-10 is Rs. 11.89 Crs. 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 last four years. However the expenditure may be accounted for on finalization of agreement.

The Company's significant leasing arrangements are in respect of operating leases

The Government of Maharashtra has been recovering the lease rent from the Company on adhoc basis i.e. Rs. 85 crores, in respect of various hydro power stations under the control of the Company. MERC has issued order for revised lease rentals to be paid to Government of Maharashtra which will be effective from 2009-10.

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

Company's Ash Handling Plant at Khaperkheda has been financed by SBI on lease basis for which the company pays monthly lease rentals to SBI which is linked to SBI PLR. During the year 2008-09 Company has paid lease rent Rs. 6.84 Crores (PY 6.84 Crores) to SBI. Total of future minimum lease payments during the non-cancellable period of this lease is estimated based on present SBI PLR as follows.

Maharashtra State Power Generation Co. Ltd.

(i) Not later than one year Rs.6.76 Crores p.a.

**f) Earning Per Share**

	2008-09 (Rs.)	2007-08 (Rs.)
Profit After Tax as per Accounts (For Basic and Diluted Earnings Per Share) – (A)	840,951,875	3,000,303,073
Weighted Average number of shares outstanding during the year for Basic EPS (Nos.) – (B)	625,050,000	50,000
Add: Effect of potential equity shares on issue of shares against share suspense account	63,363,354	2,563,363,354
Add: Effect of potential equity shares on issue of shares against share application money	2,494,835,616	513,524,590

Weighted Average number of shares outstanding during the year for Diluted EPS (Nos.) – (C)	3,183,248,970	3,076,937,944
Basic Earnings Per Share (A) / (B)	1.345	60,006
Diluted Earnings Per Share (A) / (C)	0.264	0.98

**g) Taxation**

Pursuant to unbundling of erstwhile MSEB, the Company has been formed as one of the resulting companies. Consequently and in terms of the provisions of Section 72A (4) of the Income Tax Act, 1961, the company inherited the business loss of Rs. 191.03 crores and unabsorbed depreciation of Rs. 1298.81 crores.

The Final Transfer Scheme is yet to be notified by the Government of Maharashtra, which may have an impact on the inheritance of the above business loss and unabsorbed depreciation.

Subject to this, balances out of inherited amount of carry forward of business losses and unabsorbed depreciation for the Company have been applied to work out the current tax liabilities.

**(i) Current 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 Rs. 107,000,000 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 profit and loss account and has not been treated as asset, as per provisions of 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.

**(ii) Deferred Taxation: The item-wise details of cumulative Deferred Tax Liability are as under:**

**Liability are as under:**

Particulars	Deferred Tax Asset / Liability as at 31.3.2008	Debit / Credit for the Current Year debited/ credited to Profit and Loss Account	Deferred Tax Asset / Liability as at 31.3.2009
a) Deferred Tax Liabilities			
(i) Depreciation	6,705,546,244	1,564,060,581	8,269,606,824

<b>Total</b>	<b>6,705,546,244</b>	<b>1,564,060,581</b>	<b>8,269,606,824</b>
b) Deferred Tax Asset			
(i) Items covered u/s 43 B	760,823,735	(92,68,113)	751,555,622
(ii) Gratuity	968,181,933	209,664,394	1,177,846,327
(iii) Unabsorbed Depreciation	902,698,078	1,598,270,172	2,500,968,250
<b>Total</b>	<b>2,631,703,747</b>	<b>1,798,666,453</b>	<b>4,430,370,200</b>
Deferred Tax Liabilities/ Asset (Net)	4,073,842,497	(234,605,872)	3,839,236,624

#### h) Joint Venture Operations

The Company has entered into a joint venture operation with Gujarat State Electricity Corporation Ltd. (GSECL) for allocation of captive coal mining block in State of Orissa and sharing of Coal in ratio of 60:40 from extractable reserves. For this purpose a Joint Venture Company namely, MahaGuj Collieries Ltd. (domicile India) has been incorporated with a paid up share capital of Rs. 5.00 lakhs (50,000 equity shares of Rs. 10 each), out of which Company has held 60% equity (30,000 equity shares of Rs. 10 each) amounting to Rs. 3.00 lakhs.

Based on the audited accounts of MahaGuj Collieries Ltd. the assets and liabilities as at 31st March 2009 & the expenditure for the period ended on that day in respect of MSPGCL's share in the above joint venture operation is as under:

<b>Item</b>	<b>2008-09 (Audited)</b>	<b>2007-08 (Audited)</b>
Income	658949	3360000
Expenditure	135294486	2044108
Fixed Assets	25265	42108
Other Assets	3527258	3749820
Unsecured Loan	136625375	2464063
Current Liabilities	340521	105702

## 22. UCM COAL COMPANY LTD.

The Ministry of coal has allocated Chendipada coal blocks of Talcher Coalfields in Orissa jointly

to MSPGCL, 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 Rs. 16,00,000 (1,60,000 equity shares of Rs. 10 each) out of which Company has held equity shares amounting to Rs. 3,00,000 (30,000 equity shares of Rs. 10 each).

Based on the audited accounts of UCM Coal Company Ltd. the assets and liabilities as at 31st March 2009 & the expenditure for the period ended on that day in respect of MSPGCL's share in the above joint venture operation is as under:

Item	2008-09 (Un-Audited)
Income	-
Expenditure	28,060
Fixed Assets	-
Other Assets	27200144
Unsecured Loan	26793276
Current Liabilities	106868
Previous year figures are not shown being the first year of operation of the Joint Venture.	

- 23) a) During the year, the Company had filed petitions with Maharashtra Electricity Regulatory Commission (MERC) for approval of tariff in respect of its newly commissioned Thermal units of 250 mw viz., Parli Unit 6 and Paras Unit 3. MERC, vide its order dated 21st October, 2009 determined the Tariff for Parli Unit 6 based on the Variable and Fixed Cost incurred for the said Unit. The Company, has accordingly recognized revenue for Parli Unit 6 amounting to Rs. 195.58 crores. The Company, not being satisfied with MERC order for fixation of the Tariff for the said unit, is in the process of filing an appeal with Appellate Tribunal for the petitioned amount.
- b) For Paras Unit 3, the order of MERC is still awaited. The Company has, however, on a conservative basis recognized the revenue on estimated basis using the same basis for Variable Costs and Fixed Costs as per the MERC order for Parli Unit 6 amounting to Rs.129.05 crores.

**24) PREVIOUS YEAR BALANCES ARE REGROUPED WHEREVER NECESSARY**

**25) With reference to the letter no. AG/CA/CAW-I/F3813 dated 7th July 2009 issued by Accountant General (Commercial Audit) Maharashtra under Section 619(3)(a) of the Companies Act 1956 company discloses following information :-**

- 1) No third party confirmation of balances has been received by the company in respect of Sundry Debtors, Account Receivables. Loans and Advances and Account Payable balances as reflected in the Books of the Company on 31-03-2009.

- 2) High Value individual cases (representing more than 1% of the respective accounting Head of non-confirmation of balances are as given below:-

(A) Sundry Debtors / Accounts Receivables: MSEDCL Rs. 2613.21 Crores

(B) Loans and Advances – Coal Companies

- (a) M/s WCL Rs. 4151.25 Crs.
- (b) M/s SECL Rs. 425.15 Crs.
- (c) M/s MCL Rs. 133.57 Crs.
- (d) M/s Knowledge Infrastructure Systems Ltd. Rs. 326.82

Loans and Advances – Others

- (a) M/s BHEL Rs. 424.83 Crs.
- (b) M/s TATA Projects Ltd. Rs. 103.68 Crs.
- (c) M/s BGR Energy Ltd. Rs. 43.70 Crs.

Sundry Creditors /Accounts payables (Coal Companies)

- (a) M/s WCL Rs. 4118.47 Crs.
- (b) M/s SECL Rs. 455.09 Crs.
- (c) M/s SCCL Rs. 90.58 Crs.
- (d) M/s MCL Rs. 201.45 Crs.
- (e) M/s Knowledge Infra Rs. 302.65 Crs.

Sundry Creditors (Others)

- (a) M/s BHEL Rs.258.62 Crs.
- (b) M/s BGR Energy Ltd. Rs. 44.47 Crs.

- 3) Presently the Company does not have a system of obtaining confirmation letters in respect of its Customers/ Vendors and other parties and reconciling these balances.

## Cash Flow Statement for the year ended 31.03.2009

	2008-09	2007-08
<b>A Cash flow from Operating Activities</b>		
Net Profit After Taxes	840,951,875	3,000,303,073
Adjustments for:		
Provision for Taxation	(113,405,873)	22,119,666,431
Depreciation and amortisation	3,093,045,476	2,089,029,710
Interest Income	(3,172,911)	(22,738,590)
Profit on sale of fixed assets	-	(7,958)
Adjustments to capital reserve	-	(11,400)
Transitional adjustment for Employee Benefits	-	(296,300,000)
Interest and finance charges	4,483,525,537	1,206,007,046
	<b>7,459,992,229</b>	<b>5,195,645,239</b>
<b>Operating Profit before Working Capital Changes</b>		
Adjustments for:		
Trade & Other Receivables	(18,622,341,323)	(17,285,811,852)
Inventories	(1,401,838,204)	297,008,090
Trade Payable and Provisions for employee benefits	21,812,013,084	12,100,327,817
Cash Generated from Operations	1,787,833,557	(4,888,475,945)
Taxes paid (Including Fringe Benefit Tax)	(423,997,037)	(372,666,236)
	(423,997,037)	(372,666,236)
<b>Net Cash from Operating Activities(A)</b>	<b>9,664,780,624</b>	<b>2,934,806,131</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(44,163,496,406)	(22,763,064,023)
Proceeds from sale of Fixed assets	1,817,213,344	557,649,750
Interest Income	3,172,911	22,738,590
Purchase/Sale of Investments	200,000	(1,500,000)
<b>Net Cash used in/from Investing Activities (B)</b>	<b>(42,342,910,151)</b>	<b>(22,184,175,683)</b>



	2008-09		2007-08	
<b>C. Cash Flow from Financing Activities</b>				
Increase in share application money	4,140,000,000		1,500,000,000	
Proceeds from Borrowings	34,790,327,419		18,627,086,928	
Interest and finance charges	(4,483,525,537)		(1,206,007,046)	
Grants received towards cost of capital assets	-			
<b>Net Cash from Financing Activities (C)</b>		<b>34,446,801,882</b>		<b>18,921,079,882</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A) + (B) + (C)</b>		<b>1,768,672,355</b>		<b>(328,289,670)</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>				
Cash on hand	1,946,436		3,630,904	
Balances with banks and other balances	131,195,7575	<b>133,142,193</b>	457,800,960	<b>461,431,864</b>
<b>Cash and Cash Equivalents as at the end of the year</b>				
Cash on hand	1,473,949		1,946,436	
Balances with banks and other balances	1,900,340,599	<b>1,901,814,548</b>	131,195,757	<b>133,142,194</b>

As per our report attached

**For Ford, Rhodes, Parks & Co.**  
Chartered Accountants

**(S.B.Prabhu)**  
Partner (Membership No.35296)

**For P.G.Joshi & Co.**  
Chartered Accountants

**(Prashant Tidke)**  
Partner (Membership No.39362)

**For P.G.Bhagwat**  
Chartered Accountants

**(Sanjay Athawale)**  
Partner (Membership no.83374)  
Mumbai, November 25<sup>th</sup>, 2009

**For Maharashtra State Power Generation Company Limited**

**G.J.Girase**  
Director (Finance)

**Subrat Ratho**  
Managing Director

**P.Abraham**  
Chairman

**Rahul Dubey**  
Company Secretary

## Additional information as required under Part IV of the Schedule VI to the Companies Act 1956. Balance Sheet Abstract and the Company's General Business profile

### I. Registration details

1	1	-	1	5	3	6	4	8	
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CIN NO	U40100MH2005SGC153648
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#### Balance sheet date

3	1	0	3	2	0	0	9	
---	---	---	---	---	---	---	---	--

### II. Capital raised during the year (Amt in Rs '000')

#### Public Issue

N	I	L			
---	---	---	--	--	--

#### Right Issue

N	I	L			
---	---	---	--	--	--

#### Bonus Issue

N	I	L			
---	---	---	--	--	--

#### Private Placement

N	I	L			
---	---	---	--	--	--

### III. Position of mobilization and deployment of Funds (Amt in '000')

#### Total assets

1	3	1	3	0	9	0	6	0	
---	---	---	---	---	---	---	---	---	--

#### Total liabilities

1	3	1	3	0	9	0	6	0	
---	---	---	---	---	---	---	---	---	--

#### Sources of funds

#### Paid up capital

2	5	0	0	0	5	0	0	
---	---	---	---	---	---	---	---	--

#### Reserves And Surplus

4	5	9	3	3	6	7	
---	---	---	---	---	---	---	--

#### Secured loan

8	5	3	8	8	0	7	1	
---	---	---	---	---	---	---	---	--

#### Unsecured Loan

2	2	1	4	2	5	1	
---	---	---	---	---	---	---	--

#### Application of funds

#### Net fixed assets

6	0	9	8	6	1	0	4	
---	---	---	---	---	---	---	---	--

#### Investments

1	6	0	0				
---	---	---	---	--	--	--	--

#### Net current assets

9	1	8	5	4	1	6		
---	---	---	---	---	---	---	--	--

#### Deferred Rev. Exp. (Misc. Exp.)

N	I	L					
---	---	---	--	--	--	--	--

**Accumulated losses**

N	I	L		
---	---	---	--	--

**Deferred tax liabilities**

3	8	3	9	2	3	6
---	---	---	---	---	---	---

**IV. Performance of the Company (Amt in '000')**
**Turnover**

9	3	4	6	4	9	3	6
---	---	---	---	---	---	---	---

**Total expenditure**

9	4	1	7	1	9	0	2	
---	---	---	---	---	---	---	---	--

**Profit (+) / Loss (-) before tax**

6	1	9	4	2	0		
---	---	---	---	---	---	--	--

**Profit (+) / Loss (-) after tax**

8	4	0	9	5	1		
---	---	---	---	---	---	--	--

**Earning per share Rs.**

		1
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**Dividend rate**

N	I	L
---	---	---

Generic names of three Principal products/ service of the company (as per monetary norms )

Product description

Item Code

G	E	N	E	R	A	T	I	O	N	O	F	E	L	E	C	T	R	I	C	I	T	Y
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

N	A
---	---

C	O	N	S	U	L	T	A	N	C	Y	S	E	R	V	I	C	E	S
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

N	A
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For Maharashtra State Power Generation Company Limited

MAHAGENCO  
Maharashtra State Power Generation Co. Ltd.

G.J. Girase  
Director (Finance)

Subrat Ratho  
Managing Director

P. Abraham  
Chairman

Rahul Dubey  
Company Secretary

**Statement under section 212(3) of the companies Act 1956 (As on 31st March 2009)**

<b>Particulars</b>	<b>Aurangabad Power Co. Ltd</b>	<b>Dhule Thermal Power Co Ltd</b>	<b>Mahaguj Collieries Ltd.</b>
The extent of the holding company interest in the subsidiary at the end of the financial year i.e. 31st March 2009	100%	100%	60%
Paid up share capital of subsidiary company Rs	500000	500000	500000
Extent to interest of company in subsidiary company	500000	500000	300000
Net aggregate amount of profit /(loss) of subsidiary company as on 31.3.09 Rs			-224392562**
Share of MSPGCL			-134635537**

\*\* This amount represents Balance appearing in Expenditure During the construction period account (Since the Commercial operations not started yet).

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

# Upcoming Projects



**Solar Blue Panel (Chandrapur Project)**



**STG Build Unit No. 5 (Khaperkheda Project)**





**Coal Mill Unit No. 2 (Paras Project)**



**Stacker Reclaimer Unit No. 5 (Khaperkheda Project)**





**Transformer Foundation Unit No. 4 (Bhusawal Project)**



**NDCT Unit No. 4 (Bhusawal Project)**





**Boiler Erection Unit No. 2 (Paras Project)**



**Maharashtra State Power Generation Company Limited**

Prakashgad, Bandra (East), Mumbai - 400 051 Tel.: 022-2647 4211, 2647 2131 Fax: 2647 6749